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**TITLE 50 DEPARTMENT OF LOCAL
GOVERNMENT FINANCE**

Proposed Rule
LSA Document #05-143

DIGEST

Adds 50 IAC 23 to establish rules for a uniform and common property tax management system among all counties that includes a combined mass appraisal and county auditor system integrated with a county treasurer system. Repeals 50 IAC 12. Effective 30 days after filing with the Secretary of State.

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

Estimated Number of Small Businesses Subject to This Rule:

The rule impacts county officials involved in the administration of the property tax system and Computer Assisted Mass Appraisal (CAMA) System and Tax and Billing System vendors. Some of the CAMA and Tax and Billing System vendors may qualify as small businesses and would be directly impacted by the rule. The department does not know whether any of the current CAMA and Tax and Billing System vendors are qualified as small businesses, or whether a small business that is not currently a CAMA or Tax and Billing System vendor will develop a new system under the rule.

The rule requires the CAMA and Tax and Billing System vendors to modify their existing computer systems or create new computer systems that comply with the rule. While this could require substantial capital investment by a small business, the rule also creates a business opportunity for the CAMA and Tax and Billing System vendors by requiring counties to purchase new or modified CAMA and Tax and Billing Systems.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

Small businesses that are CAMA and Tax and Billing System vendors will be required to submit their systems to the department for certification of compliance with the rule prior to offering their systems to counties. In addition, when revisions are made to a system, recertification will be required. It is anticipated that CAMA and Tax and Billing System vendors will capitalize and recover these costs in software sales to the counties. Other than periodic recertification when system changes are made, the vendors will not incur annual administrative costs in complying with the rule.

Estimated Total Annual Economic Impact on Small Businesses:

Small businesses that are CAMA and Tax and Billing System vendors. Small businesses that are CAMA and Tax and Billing System vendors will incur an initial capital cost for development of new or changed systems. The amount of this impact will vary depending upon whether the vendor develops a single component to be used in a larger system, or develops all components of the CAMA and Tax and Billing System. However, this economic impact provides a business opportunity for the business to sell the product to the counties that will use the system.

Other small businesses. Every property taxpayer, including small business property taxpayers, pay for the costs of operating and maintaining CAMA and Tax and Billing Systems since each county pays for most of the costs related to maintaining and administering the property tax system from its property tax levy. The department anticipates that the existing county reassessment fund levy and the proceeds of the Sales Disclosure fee will be used to pay for these costs in each county.

The department reviewed the Fiscal Impact Statement for Senate Enrolled Act 327-2005 prepared by Legislative Services Agency and the Indiana Uniform Property Tax Management System – Feasibility Study prepared by the department in analyzing the economic impact.

Regulatory Flexibility Analysis of Alternative Methods:

The experience that the department and all local government in Indiana had with the most recent reassessment pointed out the need for consistent, accurate, and usable data in the maintenance and administration of the property tax system. Due to the inconsistent and noncompliant systems and processes in use, the systems are slow and unresponsive to the needs of the public officials that administer them. Moreover, property taxpayers cannot find the information necessary to understand the tax burden that they are expected to share and why the burden changes from year to year. The alternatives explored were:

- Maintain the existing systems
- Require greater compliance with existing department rules
- A single-vendor statewide CAMA and Tax and Billing System

- A multivendor CAMA and Tax and Billing System applying consistent principles and standards

The alternative chosen by the department upon instruction from the General Assembly was the multivendor CAMA and Tax and Billing System with consistent principles and standards to allow some flexibility among implementing counties while assuring consistent processes and data on a statewide basis. It is the opinion of the department that creating a new system is necessary to provide the information to allow the Legislature, the department, local public officials, and the taxpayers to understand the property tax system.

The department reviewed the Fiscal Impact Statement for Senate Enrolled Act 327-2005 prepared by Legislative Services Agency and the Indiana Uniform Property Tax Management System – Feasibility Study prepared by the department in analyzing the economic impact.

50 IAC 12

50 IAC 23

SECTION 1. 50 IAC 23 IS ADDED TO READ AS FOLLOWS:

ARTICLE 23. COMPUTER STANDARDS FOR A UNIFORM AND COMMON PROPERTY TAX MANAGEMENT SYSTEM

Rule 1. General Provisions

50 IAC 23-1-1 Purpose

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31-5

Sec. 1. The purpose of this article is to establish standards for computer systems used by Indiana counties for the administration of the property tax assessment, billing, and settlement processes. *(Department of Local Government Finance; 50 IAC 23-1-1)*

50 IAC 23-1-2 Objectives

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The standards and specifications established in this article are intended to promote the following objectives:

- (1) To attain uniformity in property tax administration practices through the use of functionally equivalent computer systems in each county in the state.**
- (2) To improve the management and analysis ability by the department and counties through greater access to local property tax administration data.**
- (3) To provide assurance of the functionality and integration of property tax management systems through a defined certification program.**
- (4) To provide assistance to counties in their efforts to select computer software that meets the needs of their specific environment and complies with this article.**

(Department of Local Government Finance; 50 IAC 23-1-2)

50 IAC 23-1-3 Application

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. This article applies to the following:

(1) All county:

- (A) computer hardware;**
- (B) assessment software;**
- (C) tax and billing software;**
- (D) property tax management systems; and**
- (E) computer services;**

used by the county for the administration of property taxes.

- (2) All county purchases or contracts for:
- (A) computer hardware;
 - (B) assessment software;
 - (C) tax and billing software;
 - (D) property tax management systems; and
 - (E) computer services;

that are made or entered into for the purpose of property tax administration.

All purchases or contracts are subject to the requirements of this article. (*Department of Local Government Finance; 50 IAC 23-1-3*)

50 IAC 23-1-4 Documents incorporated by reference

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. The following documents, manuals, and publications are incorporated into this article by reference:

(1) "Property Tax File Format Requirements" refers to the document published by the department titled "Property Tax File Format Requirements" that provides a prescribed format in which exported property tax management data is to be submitted to the following:

- (A) The department.
- (B) The legislative services agency.

This document was reissued in January 2006 and is available from the department for a minimal copying fee.

(2) "Property Tax Input-Output File Format Requirements" refers to the document published by the department titled "Property Tax Input-Output File Format Requirements" that provides a prescribed format in which data is to be exchanged between a:

- (A) county's property tax management system; and
- (B) system managed by an agency external to the county.

This document was first published in January 2006 and is available from the department for a minimal copying fee.

(3) "Sales Ratio Study File Format Requirements" refers to the document published by the department titled "Sales Ratio Study File Format Requirements" that provides a prescribed format in which data required under 50 IAC 14-8-1 is to be submitted to the department. This document was first published in January 2006 and is available from the department for a minimal copying fee.

(4) "IAAO Standard on Ratio Studies" refers to the document published by the International Association of Assessing Officers titled "Standard on Ratio Studies" published in 1999.

(5) "Abstract Manual" refers to the manual published by the auditor of state titled "Spring Abstract Manual" that provides instructions to county auditors for preparing the county abstract, reissued 2005. This document is available from the auditor of state for a minimal copying fee.

(6) "Settlement Instructions" refers to two (2) documents published by the auditor of state titled:

- (A) "June 2005 Settlement Instructions"; and
- (B) "December 2005 Settlement Instructions";

that provide instructions to county auditors for performing settlement, reissued in 2005. These documents are available from the auditor of state for a minimal copying fee.

(7) "Manual for County Auditors" refers to the manual published by the state board of accounts titled "Accounting and Uniform Compliance Guidelines for County Auditors of Indiana", reissued 2002, that provides the following:

- (A) Uniform accounting procedures for county auditors.
- (B) Guidance for the discharge of county auditor duties and responsibilities.

This document is available from the state board of accounts for a minimal copying fee.

(8) "Manual for County Treasurers" refers to the manual published by the state board of accounts titled "Accounting and Uniform Compliance Guidelines for County Treasurers of Indiana" that provides county treasurers guidance for the discharge of their duties and responsibilities, revised 2002. This document is available from the state board of accounts for a minimal copying fee.

(*Department of Local Government Finance; 50 IAC 23-1-4*)

Rule 2. Definitions and Abbreviations

50 IAC 23-2-1 Definitions

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5
Affected: IC 6-1.1-31.5

Sec. 1. The definitions in this rule apply throughout this article. *(Department of Local Government Finance; 50 IAC 23-2-1)*

50 IAC 23-2-2 “ANSI” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5
Affected: IC 6-1.1-31.5

Sec. 2. “ANSI” refers to the organization of United States business and industry groups formed in 1918 for the development of trade and communication standards. ANSI:

- (1) is the American representative of the International Standards Organization; and**
- (2) developed and expanded ASCII.**

(Department of Local Government Finance; 50 IAC 23-2-2)

50 IAC 23-2-3 “ASCII” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5
Affected: IC 6-1.1-31.5

Sec. 3. “ASCII” refers to the coding scheme that assigns numeric values to up to two hundred fifty-six (256) characters, including the following:

- (1) Alphabetic letters.**
- (2) Numerals.**
- (3) Punctuation marks.**
- (4) Other symbols.**

ASCII was developed originally in 1968 and expanded in 1983 by ANSI to standardize data transmission among disparate hardware and software systems and is built into all personal computers. The published ANSI reference for ASCII, ANSI X3.110-1983, incorporated herein for reference. *(Department of Local Government Finance; 50 IAC 23-2-3)*

50 IAC 23-2-4 “Assessed value” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5
Affected: IC 6-1.1-1-3; IC 6-1.1-31.5

Sec. 4. “Assessed value” has the meaning set forth in IC 6-1.1-1-3(a). *(Department of Local Government Finance; 50 IAC 23-2-4)*

50 IAC 23-2-5 “Assessment software” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5
Affected: IC 6-1.1-31.5

Sec. 5. “Assessment software” means all programs used for real and personal property assessment, valuation of annually assessed mobile homes, and sales ratio studies except the following:

- (1) Systems software.**
- (2) Proprietary database management systems that are not proprietary to the assessment software vendor.**

(Department of Local Government Finance; 50 IAC 23-2-5)

50 IAC 23-2-6 “Assessment software vendor” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5
Affected: IC 6-1.1-31.5

Sec. 6. “Assessment software vendor” means any person who offers to sell or license for use assessment software for the property tax management system in any county in the state. *(Department of Local Government Finance; 50 IAC 23-2-6)*

50 IAC 23-2-7 “Assessment system” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-5.5; IC 6-1.1-31.5

Sec. 7. (a) “Assessment system” means all data and functions necessary to the computation of an assessed value for every real estate parcel or an item of personal property in any of the following:

- (1) A county.**
- (2) A township.**
- (3) A taxing district.**
- (4) A taxing unit.**

(b) The assessment system described in subsection (a) includes the following:

- (1) The discovery of new construction or improvements.**
- (2) Acquisition of descriptive data on all property.**
- (3) Determination of the following:**
 - (A) Land values.**
 - (B) Improvement values.**
 - (C) Annually assessed mobile home values.**
- (4) Production of required reports.**
- (5) Processing market information, including, but not limited to, the following:**
 - (A) Information contained on the sales disclosure form required by IC 6-1.1-5.5.**
 - (B) Appraisal information.**
 - (C) Income and expense data.**
- (6) Calculation of a sales ratio study.**

(Department of Local Government Finance; 50 IAC 23-2-7)

50 IAC 23-2-8 “Certification of gross assessed value” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 8. “Certification of gross assessed value” means the roll of gross assessed values from the county assessor to the county auditor. *(Department of Local Government Finance; 50 IAC 23-2-8)*

50 IAC 23-2-9 “Coefficient of dispersion” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 9. “Coefficient of dispersion” means a statistical measure used to gauge assessment uniformity by testing the degree of variation from a median assessment ratio. *(Department of Local Government Finance; 50 IAC 23-2-9)*

50 IAC 23-2-10 “Computer hardware” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 10. “Computer hardware” means the physical components of a computer system, including any peripheral equipment such as the following:

- (1) Printers.**
- (2) Modems.**
- (3) Pointing devices.**

(Department of Local Government Finance; 50 IAC 23-2-10)

50 IAC 23-2-11 “Computer hardware provider” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 11. “Computer hardware provider” means any entity that provides computer hardware. *(Department of Local Government Finance; 50 IAC 23-2-11)*

50 IAC 23-2-12 “Computer network” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 12. “Computer network” means a group of computers and associated devices that are connected by communications facilities. *(Department of Local Government Finance; 50 IAC 23-2-12)*

50 IAC 23-2-13 “Computer services” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 13. “Computer services” means those activities that allow for or enhance the proper operation of a computer system. *(Department of Local Government Finance; 50 IAC 23-2-13)*

50 IAC 23-2-14 “Computer services provider” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 14. “Computer services provider” means any entity that provides computer system services, other than the providing of:

- (1) assessment software;**
- (2) tax and billing software; or**
- (3) property tax management systems;**

to a county. A computer services provider may also be a software vendor. *(Department of Local Government Finance; 50 IAC 23-2-14)*

50 IAC 23-2-15 “Computer software” or “software” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 15. “Computer software” or “software” means all programs used for property tax management, including any:

- (1) system utilities; and**
- (2) database management systems;**

necessary to make them function properly. *(Department of Local Government Finance; 50 IAC 23-2-15)*

50 IAC 23-2-16 “Computer software provider” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 16. “Computer software provider” means an entity that provides computer software. *(Department of Local Government Finance; 50 IAC 23-2-16)*

50 IAC 23-2-17 “Computer system” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 17. “Computer system” means computer hardware and software used in the management of property tax functions at the county or township level in Indiana. *(Department of Local Government Finance; 50 IAC 23-2-17)*

50 IAC 23-2-18 “County” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5; IC 36-2-1-1

Sec. 18. “County” means a county described in IC 36-2-1-1 and includes, for the purpose of this article, all county offices or county officials when discharging duties related to the property tax management system. *(Department of Local Government Finance; 50 IAC 23-2-18)*

Finance; 50 IAC 23-2-18)

50 IAC 23-2-19 “Database” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 19. “Database” means a file or group of files composed of records, each containing fields together with a set of operations for the following:

- (1) Searching.**
- (2) Sorting.**
- (3) Recombining.**
- (4) Other related functions.**

(Department of Local Government Finance; 50 IAC 23-2-19)

50 IAC 23-2-20 “Database management system” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 20. “Database management system” means a software interface between the database and the user. A database management system:

- (1) handles user requests for database actions; and**
- (2) allows for control of security and data integrity requirements.**

(Department of Local Government Finance; 50 IAC 23-2-20)

50 IAC 23-2-21 “Data processing department” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 21. “Data processing department” means a department or office of a county that has responsibility for the development and maintenance of any of the following:

- (1) Assessment software.**
- (2) Tax and billing software.**
- (3) Property tax management systems.**

The term refers to a county department or office that develops and maintains software or systems subject to this article.

(Department of Local Government Finance; 50 IAC 23-2-21)

50 IAC 23-2-22 “Department” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 22. “Department” means the department of local government finance. *(Department of Local Government Finance; 50 IAC 23-2-22)*

50 IAC 23-2-23 “Independent entity” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 23. “Independent entity” means an entity approved by the department that has no existing business relationship or other relationship with a computer software provider or a county. *(Department of Local Government Finance; 50 IAC 23-2-23)*

50 IAC 23-2-24 “ISO” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 24. “ISO” refers to the International Organization for Standardization, a worldwide federation of national standards

bodies from some one hundred (100) countries, one (1) from each country, established in 1947. ISO produces international agreements, which are published in the ISO Catalog, incorporated herein for reference. The main section of the catalog:

- (1) is entitled International Standards; and
- (2) contains a list of standards with references.

(Department of Local Government Finance; 50 IAC 23-2-24)

50 IAC 23-2-25 “JPEG” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 25. “JPEG”, which is an acronym for the Joint Photographic Experts Group, refers to the ISO standard for storing images in compressed form. The ISO reference number for JPEG in the International Standards section of the ISO Catalog, incorporated herein for reference, is ISO reference number 10918. *(Department of Local Government Finance; 50 IAC 23-2-25)*

50 IAC 23-2-26 “Local certification” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 26. “Local certification” means when an independent entity confirms that a property tax management system installed in a county meets the requirements of this article, and thus the department declares it so upon communication from the county in which it is installed. *(Department of Local Government Finance; 50 IAC 23-2-26)*

50 IAC 23-2-27 “Median assessment ratio” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 27. “Median assessment ratio” means a statistical measure of central tendency used to gauge assessment level for a group of properties. *(Department of Local Government Finance; 50 IAC 23-2-27)*

50 IAC 23-2-28 “Operator” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 28. “Operator” means a person who controls a machine or system, such as a computer. *(Department of Local Government Finance; 50 IAC 23-2-28)*

50 IAC 23-2-29 “OSI” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 29. “OSI” refers to the open system interconnection ISO standard for worldwide communications that defines a framework for implementing protocols in the seven (7) layers of the OSI Basic Reference Model. The seven (7) layers are the following:

- (1) Physical.
- (2) Data link.
- (3) Network.
- (4) Transport.
- (5) Session.
- (6) Presentation.
- (7) Application.

There are more than forty (40) ISO reference numbers for OSI in the International Standards section of the ISO Catalog, incorporated herein for reference. The two (2) ISO reference numbers most commonly applicable to this article are ISO reference number 10731 and ISO reference number 14766. *(Department of Local Government Finance; 50 IAC 23-2-29)*

50 IAC 23-2-30 “Parcel number” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 30. “Parcel number” means a unique identifier in accordance with the state standard prescribed by 50 IAC 23-8-1 assigned to a real estate parcel by each county. (*Department of Local Government Finance; 50 IAC 23-2-30*)

50 IAC 23-2-31 “Price related differential” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 31. “Price related differential” means a statistical measure used to gauge assessment uniformity by testing whether higher or lower valued properties are assessed at the same level. (*Department of Local Government Finance; 50 IAC 23-2-31*)

50 IAC 23-2-32 “Property number” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 32. “Property number” means a unique identifier in accordance with the state standard prescribed by 50 IAC 23-8-2 assigned to:

- (1) a record of personal property; or**
- (2) an annually assessed mobile home record.**

(*Department of Local Government Finance; 50 IAC 23-2-32*)

50 IAC 23-2-33 “Property tax management system” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 33. “Property tax management system” means all data and functions necessary to the assessment, tax, and billing of all property for a taxing district or county and to produce all necessary reports. For each item of property, these functions include the following as applicable:

- (1) Data entry.**
- (2) Data storage.**
- (3) Database management.**
- (4) Computation of values.**
- (5) Computation of taxes charged.**
- (6) Collection, distribution, and settlement of taxes.**
- (7) Sketch maintenance.**
- (8) Photograph maintenance.**
- (9) Error checking.**
- (10) Internal controls.**
- (11) Data editing.**
- (12) Reporting.**
- (13) Electronic transfer.**

(*Department of Local Government Finance; 50 IAC 23-2-33*)

50 IAC 23-2-34 “Property tax management system certification” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 34. “Property tax management system certification” means when the department, according to the rules included in this article, deems that the property tax management system proposed by a county complies with this article. (*Department of Local Government Finance; 50 IAC 23-2-34*)

50 IAC 23-2-35 “Proprietary database management system” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 35. “Proprietary database management system” means a database management system that is as follows:

(1) Owned or copyrighted by an entity other than the county.

(2) Separate from the application or applications that produce the data stored in the database.

(Department of Local Government Finance; 50 IAC 23-2-35)

50 IAC 23-2-36 “QPA” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 36. “QPA”, which is an acronym for quantity purchase agreement, refers to a legal agreement between the state and a vendor whereby the state or one (1) of its political subdivisions may purchase particular goods or services, or both, from the vendor at a specified rate. *(Department of Local Government Finance; 50 IAC 23-2-36)*

50 IAC 23-2-37 “Recertification” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 37. “Recertification” means when the department deems that a computer system that has already been initially property tax management system certified under this article is subsequently certified to again meet the standards prescribed in this article and that the county installation already initially locally certified is subsequently certified to again meet the standards prescribed in this article. *(Department of Local Government Finance; 50 IAC 23-2-37)*

50 IAC 23-2-38 “Response time” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 38. “Response time” means the amount of time that occurs from a keystroke or pointing device click to the point when the system is available to respond to the next action to be taken. *(Department of Local Government Finance; 50 IAC 23-2-38)*

50 IAC 23-2-39 “Software certification” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 39. “Software certification” means when the department, according to the rules included in this article, deems that the software application under review complies with this article. *(Department of Local Government Finance; 50 IAC 23-2-39)*

50 IAC 23-2-40 “State” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 40. “State” means the state of Indiana. *(Department of Local Government Finance; 50 IAC 23-2-40)*

50 IAC 23-2-41 “System administrator” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 41. “System administrator” means the person responsible for administering use of a multiple user computer system or communications system, or both. *(Department of Local Government Finance; 50 IAC 23-2-41)*

50 IAC 23-2-42 “Systems software” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 42. “Systems software” means the following:

- (1) Computer operating systems.**
- (2) Computer system utilities.**
- (3) Database managers.**
- (4) Proprietary database management systems.**
- (5) Networking software.**
- (6) Communication software.**
- (7) All other software necessary to the operation of a computer system except the following:**
 - (A) Assessment software.**
 - (B) Tax and billing software.**

(Department of Local Government Finance; 50 IAC 23-2-42)

50 IAC 23-2-43 “Tax and billing software” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 43. “Tax and billing software” means all programs used for the taxation and the billing of taxes for real and personal property, annually assessed mobile homes, and state assessed distributable property except the following:

- (1) Systems software.**
- (2) Proprietary database management systems that are not proprietary to the tax and billing software vendor.**

(Department of Local Government Finance; 50 IAC 23-2-43)

50 IAC 23-2-44 “Tax and billing software vendor” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 44. “Tax and billing software vendor” means any person who offers to sell or license for use tax and billing software for the property tax management system in any county in the state. *(Department of Local Government Finance; 50 IAC 23-2-44)*

50 IAC 23-2-45 “Tax duplicate” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 45. “Tax duplicate” means the roll of property taxes payable prepared for each taxable year according to the requirements set forth in the state board of accounts Manual for County Auditors. *(Department of Local Government Finance; 50 IAC 23-2-45)*

50 IAC 23-2-46 “Tax duplicate number” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 46. “Tax duplicate number” means the unique sequential number assigned to each tax billing in the tax duplicate. *(Department of Local Government Finance; 50 IAC 23-2-46)*

50 IAC 23-2-47 “Tax identification number” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 47. “Tax identification number” means a unique identifier assigned to:

- (1) a real property parcel;**
- (2) a personal property record;**
- (3) an annually assessed mobile home; or**
- (4) a state assessed distributable property;**

for use by assessment officials and the county auditor and county treasurer offices. *(Department of Local Government Finance; 50 IAC 23-2-47)*

50 IAC 23-2-48 “Tax increment revenues” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-21.2-10; IC 6-1.1-31.5

Sec. 48. “Tax increment revenues” has the meaning set forth in IC 6-1.1-21.2-10. (Department of Local Government Finance; 50 IAC 23-2-48)

50 IAC 23-2-49 “Taxing district” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5; IC 36-1-2-20

Sec. 49. “Taxing district” has the meaning set forth in IC 36-1-2-20. (Department of Local Government Finance; 50 IAC 23-2-49)

50 IAC 23-2-50 “Taxing unit” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-1-21; IC 6-1.1-31.5

Sec. 50. “Taxing unit” has the meaning set forth in IC 6-1.1-1-21. (Department of Local Government Finance; 50 IAC 23-2-50)

50 IAC 23-2-51 “TCP/IP” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 51. “TCP/IP” refers to the transmission control protocol/Internet protocol standard telecommunication methodology of implementing protocols permitting electronic interchange and interaction between computers over networks, including the Internet. The IP portion of TCP/IP is in Layer 3, the layer at which information routing takes place, of the OSI Basic Reference Model. The TCP part of TCP/IP that provides end-to-end connection, as well as flow control, is in Layer 4. The ISO reference number for TCP/IP in the International Standards section of the ISO Catalog, incorporated herein for reference, is ISO reference number 14766. (Department of Local Government Finance; 50 IAC 23-2-51)

50 IAC 23-2-52 “TIFF” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 52. “TIFF” refers to the tagged image file format raster graphics file format. The ISO reference number for TIFF in the International Standards section of the ISO Catalog, incorporated herein for reference, is ISO reference number 12639. (Department of Local Government Finance; 50 IAC 23-2-52)

50 IAC 23-2-53 “Township” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5; IC 36-6

Sec. 53. “Township” means a political subdivision within a county organized in accordance with IC 36-6. (Department of Local Government Finance; 50 IAC 23-2-53)

50 IAC 23-2-54 “Vendor” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 54. “Vendor” includes the following:

- (1) A computer software provider.**
- (2) A computer hardware provider.**
- (3) A computer services provider.**

(Department of Local Government Finance; 50 IAC 23-2-54)

50 IAC 23-2-55 “XML” defined

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 55. “XML”, which is an acronym for extensible markup language, refers to a standard created by the World Wide Web Consortium that provides the ability to:

(1) define:

(A) custom tags; and

(B) the meaning of those tags;

for purposes of exchanging data over the Internet; and

(2) interpret and use data from other Web sites.

(Department of Local Government Finance; 50 IAC 23-2-55)

Rule 3. Property Tax Management System Requirements

50 IAC 23-3-1 Hardware requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. All computer hardware must meet the minimum configuration requirements stated by the software publishers, including the vendors of the property tax management software, on which the software is installed. These requirements apply to the following:

(1) The amount of memory.

(2) The capacity of the hard disk.

(3) Processor type.

(4) Processor speed.

(5) Operating system for a stand-alone device or mainframe.

(6) Networking software for a server.

(Department of Local Government Finance; 50 IAC 23-3-1)

50 IAC 23-3-2 Software requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The following standards apply to all computer software:

(1) The software to be installed and all software in a property tax management system to be certified or recertified must be a current version and release. For the purpose of this rule, “current version and release” means:

(A) a version and release that the software publisher continues to:

(i) publish or inventory;

(ii) provide complete maintenance; and

(iii) actively support as a fully maintainable and market viable product;
at the time it is to be acquired; and

(B) there is no reason to believe the publisher will discontinue support of the current version and release within the succeeding twenty-four (24) month period. If the installed version is not the current version and release, the department may require a version upgrade as a condition of certification or recertification.

(2) All computer software must meet the minimum requirements, for example, software version, stated by the computer hardware manufacturers on which the software is installed.

(Department of Local Government Finance; 50 IAC 23-3-2)

50 IAC 23-3-3 Computer networks

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. The requirements for both the computer hardware and software components of computer networks are stated in sections 1 and 2 of this rule. *(Department of Local Government Finance; 50 IAC 23-3-3)*

50 IAC 23-3-4 Data transfer environment

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. All software must operate in an open system interconnection (OSI)-compliant environment (Layer 3 of the OSI Basic Reference Model is the network layer at which data transfer takes place). All hardware must operate in an OSI-compliant environment. *(Department of Local Government Finance; 50 IAC 23-3-4)*

50 IAC 23-3-5 Data import

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 5. (a) The property tax management system must provide for data to be imported and stored from files organized according to the following:

- (1) Property Tax File Format Requirements.**
- (2) Property Tax Input-Output File Format Requirements.**

(b) The property tax management system must provide for batch updates from external files organized as flat ASCII files containing the same fields (or any subset thereof) as those in the database. For example, it must be possible for the database to be updated in batch mode from a reassessment contractor's files. As used in this section, "update" means adding new records to a database or modifying or deleting existing records, or both. Batch update programs shall provide the following features:

- (1) Perform the same edit checks as those performed for on-line updates.**
- (2) Not update the database if an error is encountered, but shall identify the record in error and indicate the type of error until the record is corrected. Provide for a method of correcting errors on-line and releasing corrected records to the database.**
- (3) Provide error reports for each update run, showing the contents of each record found to be in error.**
- (4) Provide a means of reversing a batch update run to restore the database to its condition immediately before the batch update.**

(Department of Local Government Finance; 50 IAC 23-3-5)

50 IAC 23-3-6 Data export

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 6. (a) The property tax management system must provide for the export of data organized according to the data transmission file format requirements provided in the following:

- (1) Property Tax File Format Requirements.**
- (2) Property Tax Input-Output File Format Requirements.**

(b) The property tax management system must provide for the following:

- (1) The export of the following:**
 - (A) Sales ratio data organized according to the data transmission file format requirements provided in Sales Ratio Study File Format Requirements.**
 - (B) Data produced from a user-defined report.**
- (2) Data to be archived into files organized according to the import/export file layout specifications provided in the Property Tax File Format Requirements. The codes standing for items stored in the appropriate fields in the archived files must meet the required code specifications also provided in the Property Tax File Format Requirements. The operator shall be able to select date ranges pertinent to the archiving process. Balance totals for each data set identifying the number archived and the number remaining as part of the on-line system must be included. For the purpose of this article, "archive" means to copy data into files for off-line storage while leaving items such as transactional balances unaffected.** *(Department of Local Government Finance; 50 IAC 23-3-6)*

50 IAC 23-3-7 Response time

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 7. The response time must be reasonable in light of current industry standards. The response times for a stand-alone workstation and a networked workstation may not differ by more than ten percent (10%) for those systems that meet the configuration requirements specified in this article. (Department of Local Government Finance; 50 IAC 23-3-7)

50 IAC 23-3-8 General database management system requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 8. The database management system must provide all management and retrieval facilities necessary to the proper functioning of the system, including multiple user access and multiple program access. (Department of Local Government Finance; 50 IAC 23-3-8)

50 IAC 23-3-9 Proprietary database systems

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 9. Proprietary database management systems shall comply with the following:

- (1) The system shall be a current version and release when installed.**
- (2) At any time that software certification or recertification is required, the installed version must be a current version and release of the software publisher that owns them for the hardware platform on which the assessment software is installed.**
- (3) All proprietary database management systems shall:**
 - (A) provide, or a compatible third party report writer must be available to provide, the capability to create the user-defined reports having the characteristics described in this article; and**
 - (B) be either an:**
 - (i) industry standard relational database management system; or**
 - (ii) object database management system.**
- (4) All proprietary database management systems acquired shall support a structured query language.**

(Department of Local Government Finance; 50 IAC 23-3-9)

50 IAC 23-3-10 Database systems proprietary to the vendor

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 10. (a) All database systems owned by the applications software vendor shall:

- (1) meet all of the qualifications of other proprietary database systems; and**
- (2) be fully documented and the technical documentation held in escrow.**

(b) All data that is entered into, stored, or generated by the property tax management system is the sole property of the county operating the property tax management system. The vendor retains no ownership or other interest in the data entered into, stored, or generated by the property tax management system.

(c) Should for any reason a county change the assessment or tax and billing software or any other part of the computer system at:

- (1) the end of a contractual period;**
- (2) contract termination;**
- (3) decertification; or**
- (4) failure of recertification;**

the vendor of the software shall in no way impede or delay the smooth, orderly, and timely transfer of the county's data from the current database to a new database. (Department of Local Government Finance; 50 IAC 23-3-10)

50 IAC 23-3-11 System output

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 11. Users shall be able to route reports to any of the following:

- (1) A screen.**
- (2) A file.**
- (3) A printer.**

(Department of Local Government Finance; 50 IAC 23-3-11)

50 IAC 23-3-12 On-line updates

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 12. (a) It must be possible for an operator with the appropriate security level to modify an existing record once it is found, regardless of the order of the original search. Updates must take immediate effect in the master file so that all data retrievals will be current.

(b) An operator with the authority to:

- (1) add records must be able to do so on-line;**
- (2) split parcels must be able to do so on-line; and**
- (3) inactivate a record must be able to inactivate the current record, and the property tax management system must:**
 - (A) allow an operator to change the status of a record from active to inactive;**
 - (B) maintain a copy of a record with a status of inactive; and**
 - (C) provide for the retrieval and viewing of a record with a status of inactive on the same retrieval keys as those provided for records with a status of active.**

(c) It must be possible for an operator to find a record with a status of inactive and restore it to active status. In the case of real estate parcel records, all records must be considered to be permanent archive records unless they were added in error. A record created in error may be inactivated, subject to subsection (b)(3). A record that is replaced as a result of another transaction, for example, one replaced as a result of the split of a parcel, must be retained as part of the history of the appropriate parcel. *(Department of Local Government Finance; 50 IAC 23-3-12)*

50 IAC 23-3-13 On-line screens

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 13. The on-line screens in the computer system must be as follows:

- (1) Be a menu-based system.**
- (2) Place importance on using the fewest possible screens.**
- (3) Not require redundant data entry. The operator should be able to travel from screen to screen without rekeying the primary key, such as parcel or tax identification number.**
- (4) Promote the use of extensive pointing device support.**
- (5) Provide for windowing/scrolling for on-line applications.**

(Department of Local Government Finance; 50 IAC 23-3-13)

50 IAC 23-3-14 On-line help

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 14. In addition to user manuals and quick reference materials, the on-line computer system shall provide the following:

- (1) A user tutorial suitable for the use of new operators.**
- (2) On-line, context-sensitive help that is accessible to operators without requiring that they exit from the function on which they need help. The context-sensitive help function shall provide at least the following:**
 - (A) For coded fields, a list of valid codes and their meanings.**
 - (B) For noncoded fields, a description of constraints on data entry.**
 - (C) For menus, a description of what actions are available on selection of each menu choice.**
 - (D) When an error message has been issued:**
 - (i) an explanation of the error condition; and**

(ii) advice on corrective action.

(E) The ability for the operator to obtain help without allowing the operator to enter data violating the standards for data integrity specified in this article.

(Department of Local Government Finance; 50 IAC 23-3-14)

50 IAC 23-3-15 Documentation preparation

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 15. Each vendor shall prepare the following documentation for each system:

(1) User documentation

(2) Technical documentation.

(Department of Local Government Finance; 50 IAC 23-3-15)

50 IAC 23-3-16 User documentation

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 16. User documentation shall consist of the following:

(1) A reference manual that includes the following:

(A) A description of each function performed by the system.

(B) A picture of each screen in the system.

(C) Pictures and instructions for the following:

(i) Each menu in the system.

(ii) Each report in the system.

(D) Complete operating instructions for the system.

(E) A listing of error messages and guidelines for user actions in response to each one.

(2) A quick reference guide to the system to help the user navigate through the system without frequent reference to the manual.

(3) A system administrator's manual that includes the following:

(A) Backup and restoration procedures.

(B) Recovery procedures.

(C) Procedures for the following:

(i) Any required periodic maintenance functions.

(ii) Adding and deleting users from the application.

(iii) Assigning and modifying access rights to the system.

(iv) Any batch operations not covered in the reference manual.

(4) A training manual designed to introduce a new user to the system or any part of the system. This manual may be delivered in the form of an on-line tutorial.

(5) On-line help available to the user by topic.

(6) On-line, context-sensitive help available to the user through:

(A) a designated keystroke sequence;

(B) a series of clicks of a pointing device; or

(C) an equivalent process.

(Department of Local Government Finance; 50 IAC 23-3-16)

50 IAC 23-3-17 Technical documentation

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 17. Each vendor shall prepare technical documentation for the system that includes the following:

(1) Installation instructions.

(2) Specifications for:

(A) hardware;

(B) operating systems;

- (C) database systems; and
- (D) system utilities;

required by the system.

(3) Complete external documentation of the system, including the following:

- (A) Systems analysis.
- (B) Design documents.
- (C) Diagrams.
- (D) Program specification.
- (E) Data dictionaries.

(4) Complete documentation of all files.

(5) Complete database documentation.

(6) Any other information necessary to:

- (A) install;
- (B) operate; or
- (C) modify;

the system.

(Department of Local Government Finance; 50 IAC 23-3-17)

Rule 4. Property Assessment System Requirements

50 IAC 23-4-1 Sketches and photographs

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The assessment system must provide for:

- (1) electronic sketches; and
- (2) digitized photographs;

to be maintained and linked to the related parcel or parcels.

(b) The on-line assessment system must:

(1) permit the entry of a sketch of improvements, with:

- (A) dimensions;
- (B) labels; and
- (C) annotation; and

(2) compute all necessary floor:

- (A) areas;
- (B) perimeters; and
- (C) perimeter area ratios.

(c) The assessment system must:

(1) provide for graphic files, including sketches and photographs; and

(2) meet ISO standards for the:

- (A) capture;
- (B) storage; and
- (C) transfer;

of photographic images.

(Department of Local Government Finance; 50 IAC 23-4-1)

50 IAC 23-4-2 Record retrieval

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. (a) The assessment system must be designed to permit operators to retrieve all data on a parcel by at least the following characteristics:

- (1) Parcel number.**

- (2) Parcel address.
- (3) Owner's name.

(b) The following must be possible:

(1) To enter a partial search key and perform wildcard searches. For example, a successful search could:

- (A) be accomplished using only a few letters of the owner's name; and
- (B) find the first record meeting the entered pattern.

(2) For the operator to obtain the next and prior records from any position in the file in the above search orders.

(c) It is required that operators be able to browse the database using any of the characteristics listed in subsection (a) beginning at any found record. (*Department of Local Government Finance; 50 IAC 23-4-2*)

Rule 5. Tax and Billing System Requirements

50 IAC 23-5-1 Record retrieval

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The tax and billing system must be designed to permit operators to retrieve all data on a property by any of the following characteristics:

- (1) Tax identification number.
- (2) Tax duplicate number.
- (3) Real property parcel address.
- (4) Owner's name.
- (5) Owner's address.
- (6) Billing address.

(b) The following must be possible:

(1) To enter a partial search key and perform wildcard searches. For example, a successful search could:

- (A) be accomplished using only a few letters of the owner's name; and
- (B) find the first record meeting the entered pattern.

(2) For the operator to obtain the next and prior records from any position in the file in the above search orders.

(c) It is required that operators be able to browse the database using any of the characteristics listed in subsection (a) beginning at any found record. (*Department of Local Government Finance; 50 IAC 23-5-1*)

Rule 6. Property Assessment Calculation Standards

50 IAC 23-6-1 Land valuation

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-4-13.6; IC 6-1.1-31.5

Sec. 1. (a) Assessment software must value land in accordance with the applicable county land valuation determined under IC 6-1.1-4-13.6. The database shall include all data necessary to price according to the land valuation determination, including all judgment factors applied by the assessor, and the following:

(1) For platted lots, the following:

- (A) Land type and property class.
- (B) Actual frontage.
- (C) Effective frontage.
- (D) Effective depth.
- (E) Depth factor.
- (F) Land area.
- (G) Base rate.
- (H) Adjusted rate.
- (I) Extended value.

- (J) Influence factor type, direction, and percentage.
- (K) Township.
- (L) Summary page number from the land valuation determination.
- (M) Taxing district code.
- (N) Addition of subdivision identifier, where available.
- (O) Lot number, where available.
- (P) Description and value of petroleum and mineral rights.
- (2) For unplatted lots, the following:
 - (A) Land type and property class.
 - (B) Soil identification.
 - (C) Measured acreage.
 - (D) Productivity factor.
 - (E) Base rate.
 - (F) Adjusted rate.
 - (G) Extended value.
 - (H) Influence factor type, direction, and percentage.
 - (I) Township.
 - (J) Range.
 - (K) Section.
 - (L) Taxing district code.
 - (M) Summary page number from the land valuation determination.
 - (N) Home site size.
 - (O) Legal drain size.
 - (P) Roadway size.
 - (Q) Classified land size by classification type.
 - (R) Description and value of petroleum and mineral rights.

(b) The land type and base rate tables and the soil used in land valuation shall be designed to be updated by the user.

(c) The land valuation system shall do the following:

- (1) Permit on-line system entry and change of all user-supplied data elements.
- (2) Automatically select the appropriate base rate when land type is entered or changed.

It may import data from external electronic file sources. For example, it may provide for the importation of soil data or land sketch data from other electronic files.

(d) If coordinate geometry features are included in the assessment system, it shall compute the following:

- (1) Land area.
- (2) Effective frontage.
- (3) Effective depth.
- (4) Depth factor.

(e) The land valuation database shall include the location codes used in the land valuation order to facilitate periodic updates of the valuation tables. *(Department of Local Government Finance; 50 IAC 23-6-1)*

50 IAC 23-6-2 Improvements valuation

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The improvements valuation system shall:

- (1) compute the true tax value for individual improvements and in the aggregate by the total of all improvements for a parcel; and
- (2) display and print assessment information and sketches;

in the manner prescribed in this article. *(Department of Local Government Finance; 50 IAC 23-6-2)*

50 IAC 23-6-3 Homestead eligibility

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12-37; IC 6-1.1-31.5

Sec. 3. The assessment system must be able to separate the assessed value into the gross assessed value of each of the following:

- (1) Land eligible for the standard deduction for homestead under IC 6-1.1-12-37.
- (2) Improvement eligible for the standard deduction for homestead under IC 6-1.1-12-37.
- (3) Land ineligible for the standard deduction for homestead under IC 6-1.1-12-37.
- (4) Improvements ineligible for the standard deduction for homestead under IC 6-1.1-12-37.

(Department of Local Government Finance; 50 IAC 23-6-3)

50 IAC 23-6-4 Adjustments and appeals

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. The assessment system shall do the following:

- (1) Prevent the entry of true tax values and assessed values that would replace a value computed under section 2 of this rule. For the purpose of this section, "sound value" means the value of an entity established by comparing it to similar entities of comparable condition, desirability, and usefulness.
- (2) Permit the sound value entry of a true tax value in a practical fashion under reasonable circumstances consistent with section 2 of this rule.
- (3) In those circumstances when the sound value is entered, flag the record accordingly and require the operator to enter the reason for entering the sound value.
- (4) Maintain a record of adjustments that affect assessed value resulting from error corrections, appeals granted at the county level, and appeals granted by the Indiana board of tax review or any other valid reassessment. Information maintained on each adjustment made shall include the following:
 - (A) The record that was changed.
 - (B) The prior values.
 - (C) The new values.
 - (D) The date of the adjustment.
 - (E) The reason for the adjustment.
 - (F) A short description of the change.

(Department of Local Government Finance; 50 IAC 23-6-4)

50 IAC 23-6-5 Maintenance of assessment data from prior years

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 5. (a) The assessment system shall maintain and make available for electronic retrieval all assessment system data, except data related to personal property, annually assessed mobile homes, state assessed distributable property, and sales disclosures, relative to the following:

- (1) The current date.
- (2) The year preceding the effective date of the last general reassessment.
- (3) The date of any other assessment made subsequent to the date specified in subdivision (2).

(b) Assessment data relating to dates not specified in subsection (a), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form. *(Department of Local Government Finance; 50 IAC 23-6-5)*

50 IAC 23-6-6 Maintenance of data on personal property

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 6. (a) The assessment system shall maintain and make available for electronic retrieval all personal property data for all personal property required to be reported to assessing officials as described in the Property Tax File Format

Requirements relative to the following:

- (1) The current year.**
- (2) The two (2) years before the current year.**

(b) Assessment data relating to dates not specified in subsection (a), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form. (Department of Local Government Finance; 50 IAC 23-6-6)

50 IAC 23-6-7 Maintenance of data on annually assessed mobile homes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 7. (a) The assessment system shall maintain and make available for electronic retrieval all annually assessed mobile home data for all annually assessed mobile homes required to be reported to assessing officials as described in the Property Tax File Format Requirements relative to the following:

- (1) The current year.**
- (2) The two (2) years before the current year.**

(b) Assessment data relating to dates not specified in subsection (a), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form. (Department of Local Government Finance; 50 IAC 23-6-7)

50 IAC 23-6-8 Maintenance of data from sales disclosures

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 8. (a) The assessment system shall maintain and make available for electronic retrieval sales disclosure information for all sales disclosure forms as described in the Property Tax File Format Requirements for a minimum of three (3) years before the most recent March 1.

(b) Sales disclosure data relating to dates not specified in subsection (a), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form. (Department of Local Government Finance; 50 IAC 23-6-8)

50 IAC 23-6-9 Maintenance of assessment data for current and future years

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 9. The assessment system shall permit a county to maintain, enter, update, and retrieve the following:

- (1) Real and personal property assessment records and sales disclosure records for the current year as well as two (2) assessment years subsequent to the current assessment year.**
 - (2) Annually assessed mobile home records for the current year as well as two (2) years subsequent to the current year.**
- (Department of Local Government Finance; 50 IAC 23-6-9)*

50 IAC 23-6-10 Statistical calculations for equalization and annual adjustments

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 10. Assessment software must be able to calculate the following:

- (1) An assessment ratio according to the Real Property Assessment Manual requirements established under 50 IAC 2.3.**
- (2) An assessment-assessment ratio in accordance with the IAAO Standard on Ratio Studies.**
- (3) Ratios to the .95 confidence level. Assessment software may support calculation of ratios to alternate confidence levels in addition to the .95 confidence level.**
- (4) For a group or groups of parcels defined by the user, the following:**
 - (A) A median assessment ratio**

(B) The coefficient of dispersion.

(C) The price related differential.

(Department of Local Government Finance; 50 IAC 23-6-10)

50 IAC 23-6-11 Equalization

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 11. (a) For a county, assessment software must be able to calculate an assessment ratio for each of the classes of property specified in 50 IAC 14-5-1 within each township.

(b) Assessment software must do the following:

(1) Exclude parcels coded as distributable utility property according to property class specifications provided in this article when calculating assessment ratios.

(2) Provide a secondary means of property classification for locally assessed utility property according to its use for purposes of calculating assessment ratios.

(3) Perform an assessment-assessment ratio study for agricultural land in accordance with the IAAO Standard on Ratio Studies.

(4) Calculate assessment ratios based on at least the minimum number of verified sales as determined by the IAAO Standard on Ratio Studies. Assessment software must not produce an assessment ratio if the minimum requirement of verified sales cannot be met, except in the matter of agricultural land.

(5) Provide a data field in which an equalization factor can be entered once and applied to parcels within any class of property in a township.

(6) Be able to produce the data required within 50 IAC 14-8-1 in the format prescribed by 50 IAC 23-8-3.

(Department of Local Government Finance; 50 IAC 23-6-11)

50 IAC 23-6-12 Annual adjustments

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 12. (a) Assessment software must do the following:

(1) Support calculation standards for an annual adjustment of real property assessed valuations in accordance with the IAAO Standard on Ratio Studies and 50 IAC 21.

(2) Meet the annual adjustment requirements for computer assisted mass appraisal systems specified in 50 IAC 21-9-2.

(3) Support the following:

(A) Calculation of time adjusted sales prices in accordance with procedures outlined in the IAAO standard and 50 IAC 21-3-3.

(B) Manual entry of time adjusted sale prices when an alternative method of calculation is utilized by a local assessing official.

(C) Annual adjustment factors that can be applied to user-specified groups of properties.

(4) Be able to apply the factor resulting from revised ratio studies to a group of properties for valuation adjustment.

(5) Support the manual entry of annual adjustment factors when an alternative method of calculation is utilized by a local assessing official.

(b) Once a property value has been modified by an annual adjustment factor, assessment software must do the following:

(1) Notify the user that the parcel requires a notice of valuation (Form 11) to be sent to the taxpayer.

(2) Support marking the parcel as requiring notice in the event a group of Form 11s are printed in batch following multiple property value adjustments.

(Department of Local Government Finance; 50 IAC 23-6-12)

Rule 7. Property Tax and Billing Calculation Standards

50 IAC 23-7-1 Deductions

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. Tax and billing software must be able to do the following:

- (1) Separately identify the type and amount of all deductions contained in the Indiana Code.**
- (2) Calculate each according to specifications provided in the Indiana Code and by the department.**

(Department of Local Government Finance; 50 IAC 23-7-1)

50 IAC 23-7-2 Exemptions

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. Tax and billing software must be able to do the following:

- (1) Identify the following:**
 - (A) The type of all exemptions contained in the Indiana Code.**
 - (B) The type of property tax exemption.**
- (2) Designate assessed value as full or partially exempt.**
- (3) Calculate each exemption according to specifications provided in the Indiana Code and by the department.**

(Department of Local Government Finance; 50 IAC 23-7-2)

50 IAC 23-7-3 Credits

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. Tax and billing software must be able to do the following:

- (1) Separately identify the type and amount of all credits contained in the Indiana Code.**
- (2) Calculate each according to specifications provided in the Indiana Code and by the department.**

(Department of Local Government Finance; 50 IAC 23-7-3)

50 IAC 23-7-4 Economic revitalization area deduction

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12.1; IC 6-1.1-31.5

Sec. 4. Tax and billing software must be able to do the following:

- (1) Calculate economic revitalization area deductions in the manner prescribed under IC 6-1.1-12.1.**
- (2) Identify the following elements necessary for calculation of an economic revitalization area deduction:**
 - (A) Parcel or property receiving the deduction.**
 - (B) The number of years the parcel or property is to receive the deduction.**
 - (C) The percentage of the deduction for each year the parcel or property is to receive the deduction.**
 - (D) The assessed value eligible to receive the deduction.**
 - (E) The specific improvement to receive the deduction, if multiple improvements exist on a parcel receiving a deduction.**

(Department of Local Government Finance; 50 IAC 23-7-4)

50 IAC 23-7-5 Investment deduction

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12.4; IC 6-1.1-31.5

Sec. 5. Tax and billing software must be able to do the following:

- (1) Calculate investment deductions in the manner prescribed under IC 6-1.1-12.4.**
- (2) Identify the following elements necessary for calculation of an investment deduction:**
 - (A) Parcel or property receiving the deduction.**
 - (B) The assessed value eligible to receive the deduction.**
 - (C) The specific improvement to receive the deduction, if multiple improvements exist on a parcel receiving a deduction.**

(Department of Local Government Finance; 50 IAC 23-7-5)

50 IAC 23-7-6 State assessed distributable property

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 6. Tax and billing systems must utilize state assessed distributable property data provided by the department in the format prescribed by 50 IAC 23-11-2 for tax calculation. *(Department of Local Government Finance; 50 IAC 23-7-6)*

50 IAC 23-7-7 Homestead eligibility

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12-37; IC 6-1.1-31.5

Sec. 7. Tax and billing software must be able to accept assessed value separated into the gross assessed value of each of the following:

- (1) Land eligible for the standard deduction for homestead under IC 6-1.1-12-37.**
- (2) Improvement eligible for the standard deduction for homestead under IC 6-1.1-12-37.**
- (3) Land ineligible for the standard deduction for homestead under IC 6-1.1-12-37.**
- (4) Improvements ineligible for the standard deduction for homestead under IC 6-1.1-12-37.**

(Department of Local Government Finance; 50 IAC 23-7-7)

50 IAC 23-7-8 Calculation of property tax rates

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 8. (a) Tax and billing software must:

- (1) be able to accept data entry of an individual taxing unit fund rate; and**
- (2) overwrite data entered fund rates with those provided by the department through the integration requirement under 50 IAC 23-11-2 if the two (2) rates differ and use the resulting set of rates for tax calculation.**

(b) Tax and billing software must be able to do the following:

- (1) Link a taxing unit's funds to the appropriate taxing district.**
- (2) Aggregate individual:**
 - (A) taxing unit fund rates for any given taxing unit; and**
 - (B) fund rates for any given taxing district.**

(Department of Local Government Finance; 50 IAC 23-7-8)

50 IAC 23-7-9 County auditor certified statement

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-17-1; IC 6-1.1-31.5

Sec. 9. Tax and billing software must be able to record all data required to prepare the certified statement of net assessed value under IC 6-1.1-17-1. *(Department of Local Government Finance; 50 IAC 23-7-9)*

50 IAC 23-7-10 Tax increment revenues

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 10. Tax and billing software must be able to do the following:

- (1) Account for the following:**
 - (A) The base assessed value:**
 - (i) for each parcel of real property; and**
 - (ii) of personal property for a particular taxpayer at a particular location.**
 - (B) Allocations, on a percentage or flat amount basis, of the base assessed value of the parcel due to parcel splits or parcel combinations.**
 - (C) Adjustments, on a percentage or flat amount basis, of the base assessed value of the parcel of real property, due to reassessment or annual trending adjustments.**
- (2) Reallocate the base by class of property, for example, loss of value for residential properties.**
- (3) Add parcels of real property and personal property to the allocation area.**
- (4) Delete parcels of real property and personal property from the allocation area.**
- (5) Display, by date of assessment, the base and incremental assessed value of each parcel of real property.**

- (6) Apply the following:
- (A) Either:
 - (i) differing total gross or differing net tax rates; or
 - (ii) both differing total gross and differing net tax rates;to different parcels of real property in an allocation area.
 - (B) Differing net tax rates to real property and personal property in an allocation area.
- (7) Aggregate the following:
- (A) Parcel calculations by property class.
 - (B) The incremental assessed values of all properties within an allocation area.
- (8) Edit the aggregate incremental value:
- (A) within a taxing district; or
 - (B) for multiple taxing districts.
- (9) Account for incremental assessed valuation by parcel.
- (10) Exclude classes of property from aggregation of incremental values, for example, residential.
- (11) Designate individual tax increment revenues parcels ineligible for state credits.

(Department of Local Government Finance; 50 IAC 23-7-10)

50 IAC 23-7-11 Tax duplicate

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-22-3; IC 6-1.1-31.5

Sec. 11. Tax and billing software must be able to record all data required to prepare the tax duplicate under IC 6-1.1-22-3 and the state board of accounts Manual for County Auditors. *(Department of Local Government Finance; 50 IAC 23-7-11)*

50 IAC 23-7-12 County abstract

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-22; IC 6-1.1-31.5

Sec. 12. Tax and billing software must be able to record all data required to prepare the abstract of:

- (1) property;
- (2) assessments;
- (3) taxes;
- (4) deductions; and
- (5) exemptions;

under IC 6-1.1-22 and the Abstract Manual. *(Department of Local Government Finance; 50 IAC 23-7-12)*

50 IAC 23-7-13 Creation of statements of taxes and assessments

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-22; IC 6-1.1-31.5

Sec. 13. Tax and billing software must be able to record all data required to prepare statements of taxes and assessments in a manner prescribed or approved by the state board of accounts, including information required under IC 6-1.1-22. *(Department of Local Government Finance; 50 IAC 23-7-13)*

50 IAC 23-7-14 Creation of provisional tax statements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-22.5; IC 6-1.1-31.5

Sec. 14. Tax and billing software must be able to record all data required to prepare the following:

- (1) A provisional tax statement under IC 6-1.1-22.5.
- (2) For each instance a provisional tax statement is created, a corresponding reconciling statement under IC 6-1.1-22.5.

(Department of Local Government Finance; 50 IAC 23-7-14)

50 IAC 23-7-15 Correction of error

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-15; IC 6-1.1-31.5

Sec. 15. Under IC 6-1.1-15, tax and billing software must be able to do the following:

- (1) Record entry of a correction of error.**
- (2) Apply it to the assessment of property.**

(Department of Local Government Finance; 50 IAC 23-7-15)

50 IAC 23-7-16 Omitted or undervalued tangible property

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-9; IC 6-1.1-31.5

Sec. 16. Tax and billing software must be able to record assessment adjustments made for the purpose of undervalued or omitted property according to the requirements set forth in IC 6-1.1-9 and the Manual for County Auditors. *(Department of Local Government Finance; 50 IAC 23-7-16)*

50 IAC 23-7-17 Legislative changes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 17. Tax and billing software must be able to record adjustments resulting from legislative changes that retroactively affect the calculation of taxes. *(Department of Local Government Finance; 50 IAC 23-7-17)*

50 IAC 23-7-18 Changes as a result of adjudication

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 18. Tax and billing software must be able to record adjustments resulting from adjudication by an administrative agency or court. *(Department of Local Government Finance; 50 IAC 23-7-18)*

50 IAC 23-7-19 Receipt, posting, and reconciliation of payment

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 19. Tax and billing software must be able to do the following:

(1) Record the following:

(A) The acceptance, posting, and reconciliation of property tax payments to the county treasurer according to the following:

(i) The requirements set forth in IC 6-1.1-22.

(ii) The Manual for County Auditors and Manual for County Treasurers.

(B) Payment information from payments made at a third party location, for example, financial institution.

(3) Accept payments by automatic clearing house.

(4) Hold payment in suspense, pending application to a bill.

(Department of Local Government Finance; 50 IAC 23-7-19)

50 IAC 23-7-20 Refunds

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 20. Tax and billing software must:

(1) capture refund data;

(2) incorporate it into the property tax settlement process according to the:

(A) Manual for County Auditors;

(B) Manual for County Treasurers; and

(C) settlement instructions; and

(3) be able to compute a refund amount based on a change in:

- (A) assessment;
- (B) deductions;
- (C) exemptions;
- (D) credits;
- (E) penalties charged; or
- (F) any combination thereof.

(Department of Local Government Finance; 50 IAC 23-7-20)

50 IAC 23-7-21 Calculation of tax penalties

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5; IC 6-1.1-37

Sec. 21. Tax and billing software must be able to calculate penalties according to the requirements set forth in IC 6-1.1-37.

(Department of Local Government Finance; 50 IAC 23-7-21)

50 IAC 23-7-22 Settlement

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-27; IC 6-1.1-31.5

Sec. 22. Tax and billing software must be able to do the following:

(1) Calculate monies available for distribution to individual taxing units under IC 6-1.1-27 and in the manner prescribed by the following:

(A) The state board of accounts according to the following:

- (i) The Manual for County Auditors.**
- (ii) The Manual for County Treasurers.**

(B) The settlement instructions.

(2) Record all data required to prepare the following:

(A) The certificate of settlement according to requirements under IC 6-1.1-27 and in the manner prescribed by the following:

- (i) The state board of accounts according to the Manual for County Auditors and Manual for County Treasurers.**
- (ii) The settlement instructions.**

(B) The statement of the distribution of taxes collected according to the requirements set forth in IC 6-1.1-27 and in the manner prescribed by the following:

- (i) The state board of accounts according to the Manual for County Auditors and Manual for County Treasurers.**
- (ii) The settlement instructions.**

(Department of Local Government Finance; 50 IAC 23-7-22)

50 IAC 23-7-23 Sale of real property due to delinquent taxes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-24; IC 6-1.1-31.5

Sec. 23. Tax and billing software must be able to do the following:

(1) Record all data required to prepare a delinquent list of real property as follows:

(A) According to requirements provided in IC 6-1.1-24.

(B) In the manner prescribed by the following:

- (i) The Manual for County Auditors.**
- (ii) The Manual for County Treasurers.**

(2) Remove properties from delinquency as follows:

(A) According to requirements provided in IC 6-1.1-24.

(B) In the manner prescribed by the following:

- (i) The Manual for County Auditors.**
- (ii) The Manual for County Treasurers.**

(Department of Local Government Finance; 50 IAC 23-7-23)

50 IAC 23-7-24 Delinquent personal property

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-23; IC 6-1.1-31.5

Sec. 24. Tax and billing software must be able to capture delinquent personal property data required for the following:

- (1) Inclusion in a written demand served upon the taxpayer according to IC 6-1.1-23.**
- (2) A record of delinquencies for filing with the clerk of the circuit court and update the tax duplicate according to requirements specified in IC 6-1.1-23.**

(Department of Local Government Finance; 50 IAC 23-7-24)

50 IAC 23-7-25 Maintenance of tax and billing data from prior years

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 25. (a) The tax and billing system shall maintain and make available for electronic retrieval all tax and billing system data relative to the following:

- (1) The current tax year.**
- (2) The two (2) tax years before the current tax year.**

(b) Tax and billing data relating to dates not specified in subsection (a), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form. *(Department of Local Government Finance; 50 IAC 23-7-25)*

50 IAC 23-7-26 Maintenance of tax and billing data for future years

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 26. The tax and billing system shall permit a county to maintain, enter, update, and retrieve tax and billing records for the following:

- (1) The current tax year.**
- (2) Two (2) tax years subsequent to the current tax year.**

(Department of Local Government Finance; 50 IAC 23-7-26)

Rule 8. Data and File Format Requirements

50 IAC 23-8-1 Numbering system for real and state assessed distributable property

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5; IC 32-19-3-1

Sec. 1. (a) A county shall maintain a parcel index numbering system in accordance with subsections (b) and (c).

(b) The county parcel index numbering system shall be as follows:

- (1) Keyed to the geographic location of each parcel on a county section map that:**
 - (A) was established using United States public land surveys referenced in IC 32-19-3-1; and**
 - (B) is otherwise based on the applicable Indiana coordinate systems referenced in IC 32-19-3-1.**
- (2) Structured as “00–00–00–000–000–000”. The digits indicated shall reference the following:**
 - (A) The first “00” digits shall reference the county.**
 - (B) The second “00” digits shall reference the congressional township and range.**
 - (C) The third “00” digits shall reference the section number assigned under the United States public lands survey.**
 - (D) The fourth “000” digits shall reference block numbers in urban areas (if no block number is necessary they remain all zeros).**
 - (E) The fifth “000.000” digits shall reference the permanent parcel number assigned to identify each parcel.**
 - (F) The last “000” digits shall reference the state assigned taxing district in which the parcel is located (if it is only a two (2) digit number the first digit is to remain a zero (0)).**

(Department of Local Government Finance; 50 IAC 23-8-1)

50 IAC 23-8-2 Numbering system for personal property and annually assessed mobile homes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. A county shall maintain an index numbering system in accordance with the following requirements:

(1) The identifier must be unique within the county.

(2) The first two (2) digits of the identifier must correspond to the county number.

(3) The identifier for a given taxpayer shall be carried forward into following years if a personal property return is subsequently filed by the taxpayer.

(Department of Local Government Finance; 50 IAC 23-8-2)

50 IAC 23-8-3 Sales ratio study file format requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. A county shall transmit sales ratio study data required under 50 IAC 14-8-1 to the department according to the file format requirements provided in the Sales Ratio Study File Format Requirements. *(Department of Local Government Finance; 50 IAC 23-8-3)*

50 IAC 23-8-4 Property tax input-output file format requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-17-12; IC 6-1.1-31.5

Sec. 4. A county shall do the following:

(1) Transmit tax adjustment board tax rates to the department according to the file format requirements provided in the Property Tax Input-Output File Format Requirements as required under IC 6-1.1-17-12.

(2) Import data provided by the department according to the file format requirements provided in the Property Tax Input-Output File Format Requirements for the following data sets:

(A) County budget order.

(B) State assessed utility properties.

(C) State assessed railroad properties.

(Department of Local Government Finance; 50 IAC 23-8-4)

50 IAC 23-8-5 Deadline for annual data submissions to the department and legislative services agency

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-4-25; IC 6-1.1-31.5; IC 36-2-9-20

Sec. 5. A county shall transmit the following:

(1) Property tax assessment, tax, and billing data, with the exception of sales disclosure data, to the department and the legislative services agency according to the requirements set forth in IC 6-1.1-4-25 and IC 36-2-9-20.

(2) Sales disclosure data to the department and legislative services agency according to the requirements set forth in 50 IAC 21-9-1.

(Department of Local Government Finance; 50 IAC 23-8-5)

50 IAC 23-8-6 Annual data transmission file format requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 6. A county shall transmit property tax assessment, tax, and billing data to the department and legislative services agency in one (1) of the following formats:

(1) A format prescribed by the Property Tax File Format Requirements.

(2) Extensible markup language (XML) text format.

(Department of Local Government Finance; 50 IAC 23-8-6)

50 IAC 23-8-7 Data transmission instructions

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 7. (a) Instructions for annual data transmission provided within the Property Tax File Format Requirements shall be met during data transmission by a county.

(b) Instructions for input-output file transmission provided within the Property Tax Input-Output File Format Requirements shall be met during a file transmission by a county. *(Department of Local Government Finance; 50 IAC 23-8-7)*

Rule 9. General Reporting Requirements

50 IAC 23-9-1 Histories and transaction logs

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The database system shall be able to generate a historical transaction log for managerial and audit purposes. Reports using history data must do the following:

(1) Include the following:

- (A)** The username or user identification.
- (B)** The date and time.
- (C)** Terminal identification.
- (D)** Transaction type.

(2) Accept the following parameters to be specified by the user:

- (A)** User or user identification.
- (B)** Terminal.
- (C)** Error level.
- (D)** Transaction type.
- (E)** Starting and ending dates and times.

All transaction logs must include totals and summary level information.

(b) Reports using history data must be retrievable from the on-line database system for a period dating back to the beginning of the assessment year that immediately precedes the last date of the general reassessment. Older transactions and history data must be retained off-line in an electronic format if the property tax management system is not capable of maintaining all data on-line. *(Department of Local Government Finance; 50 IAC 23-9-1)*

Rule 10. Assessment Reporting Requirements

50 IAC 23-10-1 User-defined reports for assessment

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The reporting system shall provide a facility for user-defined reports that provides the following capabilities:

(1) Screen prints.

(2) Selection of any group of the following:

- (A)** Database fields within a year or across multiple years for inclusion in a report.
- (B)** Records for inclusion in a report.

(3) Creation by the user of report fields computed from database fields or other computed fields.

(4) User-specified summary statistics for all report fields, overall and by group.

(5) Printing in any user-specified order.

(6) Grouping on any user-specified criterion.

(b) Available summary statistics shall include the following:

(1) Sum.

(2) Count.

(3) Mean.

- (4) Median.
- (5) Difference.
- (6) Product.
- (7) Ratio.
- (8) Standard deviation.
- (9) Coefficient of variation.
- (10) Coefficient of dispersion
- (11) Price related differential
- (12) Variance.
- (13) Percentages.
- (14) Linear regression.

(c) The grouping and record selection facility:

- (1) shall provide for complex selections using all logical operators; and
- (2) must permit nesting of operations.

(d) The system shall permit the user to save:

- (1) the layout of a user-defined report; and
- (2) user-defined queries;

for subsequent use. (*Department of Local Government Finance; 50 IAC 23-10-1*)

50 IAC 23-10-2 Assessment management reports

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The reporting system shall make available on demand management reports to county assessors or designees within the offices that provide the following information:

(1) The total assessed value under appeal by the following:

- (A) Taxing district.
- (B) Township.
- (C) County.

(2) The total number of corrections of error processed including resulting change in assessed value by type of error.

(3) Lists of the following:

- (A) Adjustments made to the assessed value through exemption or deduction with ability to run by parcel or in summary showing grand totals by deduction or exemption type and totals by deduction or exemption type within the taxing district and township.

- (B) User-specified data fields for adjacent parcels owned by the same taxpayer.

(*Department of Local Government Finance; 50 IAC 23-10-2*)

50 IAC 23-10-3 Assessment forms and reports

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. The assessment system shall maintain data necessary to generate the following reports:

(1) A Notice of Assessment of Land and Structures—Form 11.

(2) A Notice of Assessment by Assessing Officer—Form 113.

(3) A Mobile Home Assessment Worksheet—Form 3.

(4) A Notice of Assessment of Mobile Home—Form 2.

(5) A Notice of Assessment of Personal Property—Form 115.

(6) Form 15—Summary of Personal Property Data.

(7) Property record card with pertinent information.

(8) If photo or video imaging is provided, it must be possible for an operator to print any photographic images associated with the current record.

(9) Any other form or report required by law.

(*Department of Local Government Finance; 50 IAC 23-10-3*)

Rule 11. Tax and Billing Reporting Requirements

50 IAC 23-11-1 User-defined reports for tax and billing

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The reporting system shall provide a facility for user-defined reports that provides the following capabilities:

- (1) Screen prints.
- (2) Selection of any group of the following:
 - (A) Database fields within a year or across multiple years for inclusion in a report.
 - (B) Records for inclusion in a report.
- (3) Creation by the user of report fields computed from database fields or other computed fields.
- (4) User-specified summary statistics for all report fields, overall and by group.
- (5) Printing in any user-specified order.
- (6) Grouping on any user-specified criterion.

(b) Available summary statistics shall include the following:

- (1) Sum.
- (2) Count.
- (3) Mean.
- (4) Median.
- (5) Difference.
- (6) Product.
- (7) Ratio.
- (8) Variance.
- (9) Percentages.

(c) The grouping and record selection facility:

- (1) shall provide for complex selections using all logical operators; and
- (2) must permit nesting of operations.

(d) The system shall permit the user to save:

- (1) the layout of a user-defined report; and
- (2) user-defined queries;

for subsequent use. (*Department of Local Government Finance; 50 IAC 23-11-1*)

50 IAC 23-11-2 Tax and billing management reports

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. (a) The reporting system shall make available on demand management reports to county auditors and county treasurers or designees within the offices that provide the following information:

- (1) The amount of property tax remaining to collect in current cycle, how much was billed, and how much has been paid.
- (2) Lists of the following:
 - (A) Taxpayers in bankruptcy by parcel or tax identification number.
 - (B) Properties pending tax of sheriff sale including total or summary information.
- (3) Total assessed value under appeal by taxing district, township, and county.
- (4) Total number of corrections of error processed and resulting change in assessed value by type of error within a taxing district with totals for taxing district and county.
- (5) Lists of the following:
 - (A) Adjustments made to the assessed value through exemption or deduction with ability to run by parcel or in summary showing grand totals by deduction or exemption type and totals by deduction or exemption type within the taxing district and county.
 - (B) User-specified data fields for adjacent parcels owned by the same taxpayer.
- (6) Billing detail comparison among years or billing cycles specified by the user.

(7) A list of all records on which a refund is due.

(b) The reporting system shall make available on demand management reports to county auditors or designees within the office that provide lists of the following:

- (1) Parcels on which multiple exemptions or deductions, or both, are applied and corresponding exemptions or deductions, or both, for each parcel.
- (2) Taxpayers receiving multiple exemptions or deductions, or both, and corresponding exemptions or deductions, or both, for each taxpayer.

(c) The reporting system shall make available on demand management reports to county treasurers or designees within the office that provides the number and amount of payments processed on given day by clerk. *(Department of Local Government Finance; 50 IAC 23-11-2)*

50 IAC 23-11-3 Tax and billing forms and reports

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-22-8; IC 6-1.1-31.5

Sec. 3. (a) The reporting system shall be able to print and generate the following reports in an electronic format:

(1) For one (1) or two (2) installments as required by IC 6-1.1-22-8 or as authorized by the department, generate one (1) statement of taxes and assessments per each of the following:

- (A) Record of the tax duplicate.
- (B) Real or personal property in a tax increment revenues allocation area.
- (2) Provisional and reconciling tax statement.
- (3) Tax adjustment board rate chart according to the file format requirements provided in 50 IAC 23-8-4.
- (4) Certified statement of net assessed value.
- (5) Tax duplicate.
- (6) Abstract of the following:
 - (A) Property.
 - (B) Assessments.
 - (C) Taxes.
 - (D) Deductions.
 - (E) Exemptions.
- (7) Certificate of settlement.
- (8) Treasurer's real property delinquency list for certification to county auditor.
- (9) Written demand to be served upon taxpayers delinquent in the payment of personal property taxes.
- (10) Record of delinquencies for filing with clerk of the circuit court.
- (11) Certificate of tax distribution.
- (12) Any other form or report required by law.

(b) Tax and billing systems must be able to generate statements of taxes and assessments in batch for transfer to a mortgagee maintaining escrow accounts for persons liable for property taxes or special assessments. *(Department of Local Government Finance; 50 IAC 23-11-3)*

Rule 12. Internal Control and Accounting Standards for Property Tax Management Systems

50 IAC 23-12-1 Data integrity

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. The property tax management system must have features to ensure data integrity, including the following:

- (1) Field or record locking to prevent simultaneous updates while permitting read-only access.
- (2) On transaction records, the following:
 - (A) The date of the transaction.
 - (B) The user identification of the operator who entered the transaction.
- (3) Not allowing a duplicate of a key that uniquely identifies a record in a file.

(4) Validity checks for data, such as not allowing an alphabetic character to be stored in an all-numeric field, immediately following entry of the data into the system.

(5) Checks for:

(A) data that are out-of-range or unreasonable, such as a:

(i) transaction date of August 13, 2997; or

(ii) negative net assessed value;

(B) logically impossible combinations of values across fields;

(C) data that fall outside of a range, or above a threshold, specified by the local computer system administrator;

(D) null or empty data fields that will result in noncompliance with the Property Tax File Format Requirements; and

(E) data that is inconsistent with data entry fields specified by code lists published in the Property Tax File Format Requirements;

immediately following entry of the data into the system.

(Department of Local Government Finance; 50 IAC 23-12-1)

50 IAC 23-12-2 Password and login requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The property tax management system must include a security feature whereby individual users can be assigned a username or user identification, with a corresponding password, each of which must be input by the user in order to log onto the system. The security feature must meet the following requirements:

(1) Users must be prompted to change their passwords in accordance with standards set by the state board of accounts.

(2) Passwords must be as follows:

(A) Contain a minimum of eight (8) characters.

(B) Combine at least three (3) of the following four (4) types of characters:

(i) Alpha.

(ii) Numeric.

(iii) Special.

(iv) Uppercase and lowercase.

(3) New users must be prompted to change passwords after initial login.

(4) Users must be as follows:

(A) Prompted to change passwords as follows:

(i) After password reset by system administrator.

(ii) Once the current password has expired.

(B) Locked out of the property tax management system after three (3) unsuccessful login attempts. The user must remain locked out until password reset by system administrator.

(5) The property tax management system must not accept a password from a given user if the password is identical to any of the thirteen (13) previous passwords used by that same user.

(6) Users must be automatically logged off the system after fifteen (15) minutes of inactivity.

(7) The system:

(A) must prevent simultaneous logons by the same user; and

(B) should store all passwords in an encrypted format.

(Department of Local Government Finance; 50 IAC 23-12-2)

50 IAC 23-12-3 Data backups

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. The property tax management system:

(1) shall backup records daily; and

(2) must backup records by:

(A) electronically mirroring and storing data in a secondary location; or

(B) transferring records to removable media that can be taken to a secondary location.

(Department of Local Government Finance; 50 IAC 23-12-3)

50 IAC 23-12-4 System and data security

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31-5

Sec. 4. The property tax management system must log activities of all system administrators. *(Department of Local Government Finance; 50 IAC 23-12-4)*

Rule 13. Internal Control and Accounting Standards for Assessment Systems

50 IAC 23-13-1 Capture and maintenance of data on assessment record addition, update, and deletion

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The assessment system shall capture the following:

- (1) A date and time stamp showing the date and time each record was created.**
- (2) A username or user identification stamp showing the operator who created the record.**
- (3) A date and time stamp on each record showing the date and time of each update.**
- (4) A username or user identification stamp showing the operator who performed each update.**
- (5) A date and time stamp on each record showing the date and time a record was deleted.**
- (6) A username or user identification stamp showing the operator who deleted a record.**
- (7) A reason code for each change to an assessment from Code List 17 of the Property Tax File Format Requirements.**

(b) The assessment system shall maintain and make available for electronic retrieval the data required under subsection (a) relative to the following:

- (1) The year preceding the effective date of the last general reassessment through the current assessment year.**
- (2) The two (2) assessment years subsequent to the current assessment year.**

(c) In addition to subsection (b), the assessment system shall permit a county to do the following:

- (1) Maintain current records.**
- (2) Enter, update, and retrieve records for an ongoing reassessment.**

(d) Assessment data relating to dates not specified in subsection (b), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form.

(e) The system must not allow the change of data contained under subsection (a) from years before the current assessment year. *(Department of Local Government Finance; 50 IAC 23-13-1)*

50 IAC 23-13-2 Data integrity

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The assessment system must have features to ensure data integrity, including the following:

- (1) The inability to add, modify, or remove assessment data in the current year following certification of assessed values to the county auditor.**
- (2) The system must not allow the change of records from years before current assessment year.**

(Department of Local Government Finance; 50 IAC 23-13-2)

50 IAC 23-13-3 Changes to parcel numbers

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. Where parcel numbers have changed, all parcel records must include the old parcel number. *(Department of Local Government Finance; 50 IAC 23-13-3)*

50 IAC 23-13-4 System and data security

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. (a) The assessment system shall include a security system to ensure computer system and data security. The security system must provide for the following:

- (1) Adequate access controls to the system as a whole.
- (2) Appropriate levels of control for access to database functions.

It must be possible for a local computer system administrator to define users and assign them rights to the system. Rights must be user-specific and not device-specific.

(b) The following rights levels must be available:

- (1) None (no access to the assessment system).
- (2) Read-only (search and view).
- (3) Add parcel and assessment data.
- (4) Add appeals data.
- (5) Delete a parcel.
- (6) Split a parcel.
- (7) Add a personal property record.
- (8) Modify a personal property record.
- (9) Add valuation table data.
- (10) Modify valuation table data.
- (11) Modify parcel address.

(Department of Local Government Finance; 50 IAC 23-13-4)

50 IAC 23-13-5 Notices to operator

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12; IC 6-1.1-21.2-3; IC 6-1.1-31.5

Sec. 5. The assessment system shall flag records that meet any of the following criteria:

- (1) Property located in an allocation area as defined in IC 6-1.1-21.2-3.
- (2) Parcels for which a standard deduction for homestead could be claimed under IC 6-1.1-12.

(Department of Local Government Finance; 50 IAC 23-13-5)

50 IAC 23-13-6 Data archiving requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 6. The assessment system shall automatically archive records immediately following certification of gross assessed values to the county auditor. *(Department of Local Government Finance; 50 IAC 23-13-6)*

Rule 14. Internal Control and Accounting Standards for Tax and Billing Systems

50 IAC 23-14-1 Capture and maintenance of data on tax and billing record addition, update, and deletion

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) The tax and billing system shall capture the following:

- (1) A date and time stamp showing the date and time each record was created.
- (2) A username or user identification stamp showing the operator who created the record.
- (3) A date and time stamp on each record showing the date and time of each update.
- (4) A username or user identification stamp showing the operator who performed each update.
- (5) A date and time stamp on each record showing the date and time a record was deleted.
- (6) A username or user identification stamp showing the operator who deleted a record.
- (7) A reason code for each change resulting in a change to taxes charged from Code List 17 of the Property Tax File Format

Requirements.

(b) The tax and billing system shall maintain and make available for electronic retrieval the data required under subsection (a) relative to the following:

- (1) The current tax year.
- (2) The two (2) tax years before the current tax year.
- (3) The two (2) tax years subsequent to the current tax year.

(c) In addition to subsection (b), the tax and billing system shall permit a county to do the following:

- (1) Maintain current records.
- (2) Enter, update, and retrieve records for all periods specified in subsection (b).

(d) Tax and billing data relating to dates not specified in subsection (b), which must be purged from the on-line system, shall be stored off-line in a flat ASCII file in machine-readable form. Field and file definitions must also be included with the data in machine-readable form.

(e) The system must not allow the change of data contained under subsection (a) from years before the current tax year.
(Department of Local Government Finance; 50 IAC 23-14-1)

50 IAC 23-14-2 Data integrity

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The tax and billing system must have features to ensure data integrity, including the following:

(1) The inability to add, modify, or remove assessed value and tax data in the current year unless through one (1) of the following:

- (A) A correction of error by the county auditor.
- (B) An assessment adjustment for the purpose of omitted or undervalued property by the county auditor.
- (C) An adjudication by an administrative agency or court.
- (D) A legislative change that retroactively affects the calculation of taxes.

(2) When an owner has filed for bankruptcy, that owner's property cannot be marked for a tax sale.

(3) Deductions, exemptions, and credits must be rolled to the following year, if applicable.

(4) The inability to do the following:

- (A) Change or reallocate a payment posting from a prior tax collection period.
- (B) Manually overwrite rates contained in a department issued county budget order.

(Department of Local Government Finance; 50 IAC 23-14-2)

50 IAC 23-14-3 System and data security

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. (a) The tax and billing system shall include a security system to ensure computer system and data security. The security system must provide for the following:

- (1) Adequate access controls to the system as a whole.
- (2) Appropriate levels of control for access to database functions.

It must be possible for a local computer system administrator to define users and assign them rights to the system that correspond to employee job responsibilities and functions and that are not in violation with segregation of duties. Rights must be user-specific and not be device-specific.

(b) The following rights levels must be available for authorized auditor office personnel:

- (1) None (no access to the tax and billing system).
- (2) Read-only (search and view).
- (3) Add credit, deduction, and exemption data.
- (4) Modify credit, deduction, and exemption data.
- (5) Modify owner address.

- (6) Enter a certificate of error.
- (7) Enter an additional assessment.
- (8) Perform settlement functions.

(c) The following rights levels must be available for authorized treasurer office personnel:

- (1) None (no access to the tax and billing system).
- (2) Read-only (search and view).
- (3) Modify payment data.
- (4) Modify billing address.

(d) A user shall not have access to a right to which that user has not been assigned. *(Department of Local Government Finance; 50 IAC 23-14-3)*

50 IAC 23-14-4 Notices to operator

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. The tax and billing system shall flag records that meet any of the following criteria:

- (1) Bankruptcy.
- (2) Under appeal.
- (3) Tax sale.
- (4) History of payment by check despite insufficient funds.
- (5) Overpayment of taxes.
- (6) Demand notice.

(Department of Local Government Finance; 50 IAC 23-14-4)

50 IAC 23-14-5 Data archiving requirements

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 5. The tax and billing system shall automatically archive records after the following:

- (1) Billing.
- (2) Each settlement period.

(Department of Local Government Finance; 50 IAC 23-14-5)

Rule 15. County Office Integration Standards

50 IAC 23-15-1 Electronic integration requirement

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. The property tax management system must do the following:

- (1) Perform all subsequent integration standards of this rule electronically.
- (2) Not rely upon manual rekeying of data into external subsystems.

(Department of Local Government Finance; 50 IAC 23-15-1)

50 IAC 23-15-2 Addition, modification, or deletion of parcel address

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. The property tax management system must do the following:

- (1) Allow authorized assessing officials the ability to add, modify, and delete the following:
 - (A) A real property parcel address.
 - (B) A personal property address.
 - (C) An annually assessed mobile home address.

(2) Enable immediate access of the updated address to authorized auditor and treasurer office personnel.
(Department of Local Government Finance; 50 IAC 23-15-2)

50 IAC 23-15-3 Addition, modification, or deletion of owner data

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. The property tax management system must do the following:

(1) Allow authorized county auditor personnel the ability to add, modify, and delete the following:

- (A) A real property owner's name and address.**
- (B) A personal property owner's name and address.**
- (C) An annually assessed mobile home owner's name and address.**

(2) Enable immediate access of the updated name and address to authorized assessor and treasurer office personnel.

(Department of Local Government Finance; 50 IAC 23-15-3)

50 IAC 23-15-4 Addition, modification, or deletion of billing data

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. The property tax management system must do the following:

(1) Allow authorized county treasurer personnel the ability to add, modify, and delete the following:

- (A) A real property taxpayer's name and billing address.**
- (B) A personal property taxpayer's name and billing address.**
- (C) An annually assessed mobile home taxpayer's name and billing address.**

(2) Enable immediate access of updated name and address to authorized assessor and auditor office personnel.

(Department of Local Government Finance; 50 IAC 23-15-4)

50 IAC 23-15-5 Annual certification of real and personal property gross assessed values to county auditor

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12-37; IC 6-1.1-31.5

Sec. 5. (a) The property tax management system must perform a one-time, annual update of the following:

(1) Real and personal gross assessed values for each parcel accessible by authorized county auditor and treasurer office personnel after recalculation by the county assessor for the current assessment year.

(2) Classification of real and personal property by authorized assessing officials for access by county auditor and treasurer office personnel.

(3) The amount of real and personal gross assessed value for the following:

- (A) Each parcel that is eligible for an economic revitalization area deduction or investment deduction determined by the county assessor.**
- (B) Each parcel eligible for full or partial exemption.**

(4) The amount of real and personal gross assessed value eligible to receive a standard deduction for homestead under IC 6-1.1-12-37 for each real property parcel. The property tax management system must also update the separations of the gross assessed value eligible by the gross assessed value of each of the following:

- (A) Land eligible for the standard deduction for homestead under IC 6-1.1-12-37.**
- (B) Improvement eligible for the standard deduction for homestead under IC 6-1.1-12-37.**
- (C) Land ineligible for the standard deduction for homestead under IC 6-1.1-12-37.**
- (D) Improvements ineligible for the standard deduction for homestead under IC 6-1.1-12-37.**

(b) After the property tax management system performs the functions described in subsection (a), it must not allow assessing officials to subsequently update the data described in subsection (a) for auditor or treasurer personnel access during the current assessment year. *(Department of Local Government Finance; 50 IAC 23-15-5)*

50 IAC 23-15-6 Annually assessed mobile homes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-12-37; IC 6-1.1-31.5

Sec. 6. The property tax management system must do the following:

- (1) Perform a one-time, annual update of individual annually assessed mobile home gross assessed values accessible by authorized county auditor and treasurer office personnel after recalculation by the county assessor for the current assessment year.**
- (2) Not allow subsequent electronic update of individual annually assessed mobile home gross assessed values by the county assessor for the current assessment year.**
- (3) Perform a one-time, annual update of the amount of gross assessed value eligible to receive a standard deduction for homestead under IC 6-1.1-12-37 for each annually assessed mobile home. The property tax management system must also update the separations of the gross assessed value eligible by the gross assessed value of each of the following:**
 - (A) Improvement eligible for the standard deduction for homestead under IC 6-1.1-12-37.**
 - (B) Improvements ineligible for the standard deduction for homestead under IC 6-1.1-12-37.**

(Department of Local Government Finance; 50 IAC 23-15-6)

50 IAC 23-15-7 Modification of gross assessed value as a result of final appeal determination, correction of error, omitted or undervalued property, or legislative changes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 7. The property tax management system must do the following:

- (1) Allow update of the real or personal property gross assessed value by authorized assessing officials for the subsequent assessment years after any of the following:**
 - (A) Final appeal determination.**
 - (B) Correction of error.**
 - (C) Omitted or undervalued property.**
 - (D) Legislative changes that retroactively affect the calculation of taxes.**
- (2) Initiate immediate recalculation of taxes for the current or prior assessment years following update to the assessed value.**

(Department of Local Government Finance; 50 IAC 23-15-7)

50 IAC 23-15-8 Creation of new parcel or property records by the assessor

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 8. The property tax management system must provide authorized auditor and treasurer personnel immediate access to new real or personal property records created by the county assessor. *(Department of Local Government Finance; 50 IAC 23-15-8)*

50 IAC 23-15-9 Inactivation of parcel or property records by the assessor

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 9. The property tax management system must notify authorized auditor and treasurer personnel immediately upon an assessing official's inactivation of real or personal property records. *(Department of Local Government Finance; 50 IAC 23-15-9)*

50 IAC 23-15-10 Sales disclosure data

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 10. The property tax management system must perform an annual update of sales disclosure data for incorporation of current sales data into the sales comparison valuation method, calculation of neighborhood factors, or sales ratio studies by the county. *(Department of Local Government Finance; 50 IAC 23-15-10)*

Rule 16. External Agency Integration Standards

50 IAC 23-16-1 Tax adjustment board rate chart file

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. Tax and billing systems must be able to generate the tax adjustment board rate chart in the electronic file format prescribed by 50 IAC 23-8-4 for transmission to the department. (*Department of Local Government Finance; 50 IAC 23-16-1*)

50 IAC 23-16-2 Budget order file

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. Tax and billing systems must be able to import the department issued county budget order according to the electronic file format prescribed by 50 IAC 23-8-4. (*Department of Local Government Finance; 50 IAC 23-16-2*)

50 IAC 23-16-3 State assessed distributable property files

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. Tax and billing systems must be able to import department issued data related to state assessed distributable properties according to the electronic file format prescribed by 50 IAC 23-8-4. (*Department of Local Government Finance; 50 IAC 23-16-3*)

Rule 17. Vendor Eligibility

50 IAC 23-17-1 Vendor eligibility

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) Assessment software vendors and tax and billing software vendors must do the following:

(1) Demonstrate that their products can:

(A) successfully meet the requirements of this article; and

(B) be included as part of a certified property tax management system:

(i) before entering into any contract or sales agreement with a county; and

(ii) each time that major changes are made.

(2) Successfully form with the state a QPA for local procurement of software packages before entering into any contract or sales agreement with a county.

(3) Either:

(A) submit a current copy of all applications program source code to an independent escrow agent designated by the department; or

(B) deliver all source code to the county.

(4) Submit a current copy of the following with the department, the designated escrow agent, and the county:

(A) All existing user documentation and technical documentation that includes any of the following:

(i) Existing data flow diagrams.

(ii) Entity relationship diagrams.

(iii) Structure charts.

(iv) Flow charts.

(v) Other systems analysis and design information.

(B) The database documentation that includes the following:

(i) Database structures.

(ii) Any diagrams and technical reports normally kept for the database management system used.

(iii) Descriptions of all data elements.

(iv) If a data dictionary exists, the dictionary, in machine-readable form.

(v) Any edit tables and external database structures used by the system.

(vi) Any other information necessary to replicate the database structure and its contents.

(5) Submit with the:

- (A) department;
- (B) designated escrow agent; and
- (C) county;

documentation of system resource requirements for the system.

(b) For the purpose of this section, “major change” means a significant alteration in the operation of the computer system or any other change that would cause the computer system not to comply with this article. As defined in this section, the term:

(1) includes changes such as:

- (A) the removal or modification of any required data or feature;
- (B) the addition, modification, or removal of any feature that impacts data, features, or functionality required under this article; or
- (C) a modification that requires a different operating system; and

(2) does not include changes such as:

- (A) a modification that allows a different printer to be added to the computer system;
- (B) the addition of any feature that increases functionality without requiring different or additional computer hardware or a different operating system;
- (C) the addition, modification, or removal of any feature that does not impact data, features, or functionality required under this article; or
- (D) a modification that improves performance without requiring different or additional computer hardware or a different operating system.

If the assessment software vendor or tax and billing software vendor has reason to question whether a change constitutes a major change under this section, the assessment software vendor or tax and billing software vendor must request a written determination from the department. The request must specify the contemplated change in detail. Within ten (10) business days of receipt of the request specifying the contemplated change, the department will issue a determination of whether the contemplated change constitutes a major change.

(c) Assessment software vendors are limited to certification of three (3) versions of assessment software. No vendor may have more than one (1) of each of the following version types:

- (1) A software package that is currently installed and supported in a majority of customer environments.
- (2) A software package that is being phased out and replaced by a more current version.
- (3) A software package that is currently under development and has been property tax management system certified.

(d) Tax and billing software vendors are limited to certification of three (3) versions of tax and billing software. No vendor may have more than one (1) of each of the following version types:

- (1) A software package that is currently installed and supported in a majority of customer environments.
- (2) A software package that is being phased out and replaced by a more current version.
- (3) A software package that is currently under development and has been property tax management system certified.

(e) In the event an assessment software vendor or tax and billing software vendor acquires a new assessment software or tax and billing software package, causing the vendor to exceed the limitation requirement prescribed in subsections (c) and (d), the vendor must submit a transition plan to the department for approval explaining how it will come into compliance with the limitation requirement. *(Department of Local Government Finance; 50 IAC 23-17-1)*

50 IAC 23-17-2 Computer services providers

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. Computer services providers must:

- (1) possess a detailed knowledge of all computer hardware and computer software that comprise the computer system of the county, as it is certified;
- (2) have a thorough understanding of the requirements of this article; and
- (3) not perform any service activity for the county that alters the computer system such that the computer system, subsequent to the service activity, would no longer be in compliance with this article.

(Department of Local Government Finance; 50 IAC 23-17-2)

50 IAC 23-17-3 Computer hardware providers

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. Computer hardware providers must provide an industry standard warranty. (*Department of Local Government Finance; 50 IAC 23-17-3*)

Rule 18. Certification

50 IAC 23-18-1 General certification provisions

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-4-4; IC 6-1.1-31.5

Sec. 1. (a) Except as provided in subsection (b), a county may not use, purchase, contract for the purchase of, or otherwise acquire:

(1) computer software; or

(2) computer services;

unless the computer system to be used and any software or services are certified by the department or its designee under this article.

(b) Computer hardware, computer software, or computer services that the department has determined in writing will not significantly affect the ability of a computer system to function in compliance with this article, such as a printer, monitor, or utility software that allows the application to operate unchanged, does not have to be certified.

(c) All county installations of property tax management systems shall be certified under section 5 of this rule not later than December 31 of the year preceding the starting year of the next general reassessment as defined in IC 6-1.1-4-4.

(d) All:

(1) assessment and tax and billing software;

(2) county property tax management systems; and

(3) county installations of property tax management systems;

must be recertified as provided in section 6 of this rule. (*Department of Local Government Finance; 50 IAC 23-18-1*)

50 IAC 23-18-2 Initial software certification

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. (a) Assessment and tax and billing software subject to certification under section 1 of this rule must initially be tested and certified under this section. The software will be tested by the department or its designee on a stand-alone PC, or a larger system if no PC version is available, on which the software has been installed. A vendor or data processing department shall schedule a testing date with the department at least thirty (30) days before submitting its assessment software or tax and billing software for test. The test shall include, but will not be limited to, a demonstration of the following:

(1) The software's internal control mechanisms required under this article.

(2) The software's ability to:

(A) perform calculations; and

(B) import and export data;

as applicable to fulfill its function within an overall property tax management system.

(b) At least thirty (30) days before the test, each vendor shall submit the following:

(1) For review, all technical documentation. All documentation that includes proprietary information or trade secrets must be so identified on its cover.

(2) Audited financial statements for the most recent three (3) years upon request by the department. If the company has been in business less than three (3) years, then a business plan shall be submitted instead of the financial statements.

(c) At least thirty (30) days before the test, each data processing department that has developed a unique assessment or tax

and billing application shall submit for review all technical documentation. All documents that include proprietary information or trade secrets must be so identified on its cover.

(d) The department or its designee shall finish the test and notify the vendor or data processing department of the results within thirty (30) days of the submission date. If the software fails the test, the department will inform the vendor or data processing department in writing of the reason or reasons for the failure. Upon notice of failure, the vendor or data processing department may make the required correction or corrections and resubmit for certification, following the schedule in subsections (a) through (c).

(e) Upon successful completion of testing under subsection (a), the department shall then declare the assessment or tax and billing software certified. (*Department of Local Government Finance; 50 IAC 23-18-2*)

50 IAC 23-18-3 System and integration demonstrations

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. (a) Assessment and tax and billing systems subject to certification under section 1 of this rule that utilize software that has been software certified by the department must initially be tested and integration validated under this section. The systems will be tested by the department or its designee on a stand-alone PC or a larger system if no PC version is available. A vendor or data processing department shall schedule a testing date with the department at least thirty (30) days before submitting its assessment or tax and billing, or both, system or systems for test. The test shall include, but will not be limited to, the following:

- (1) Demonstration of the system's ability to export all state specified data in the format required under this article.
- (2) Validation that the system incorporates all general system requirements.
- (3) Demonstration of the system's user-defined reporting capability.
- (4) Generation of required reports.
- (5) Demonstration of the system's ability to perform the following scenarios:
 - (A) A complete walkthrough of:
 - (i) a real property parcel; and
 - (ii) a personal property record;from recalculation of gross assessed value to settlement.
 - (B) Calculation of a sales ratio study and generation of its output in the format required under this article.
 - (C) Entering information indicating a real property parcel transferred ownership, handling of exemptions, deductions, and credits that were assigned to the transferred property, and update of associated tax billing information.
 - (D) Adjusting a real property parcel's assessed value resulting from the following:
 - (i) A correction of error and the subsequent recalculation of taxes from the change in value.
 - (ii) A successful appeal determination and the subsequent recalculation of taxes from the change in value.
 - (E) Adjusting a personal property assessed value resulting from a correction of error and the subsequent recalculation of taxes from the change in value.
 - (F) Application of annual adjustment factors to properties.
 - (G) A property split resulting in inactivation of existing parcel records and creation of new parcel records in the property tax management system.
 - (H) A property combination.
 - (I) Separating gross assessed value of a parcel eligible for the standard deduction for homestead through calculation of the tax statement.
 - (J) Handling a real property parcel of which only a portion of the property can be abated.
 - (K) Accepting state assessed utility values in the format prescribed by 50 IAC 23-8-4.
 - (L) Creating the county tax adjustment board rate chart in the manner prescribed by 50 IAC 23-8-4 and subsequent override of those rates from acceptance of the department issued budget order in the format prescribed by 50 IAC 23-8-4.

(b) At least thirty (30) days before the test, each vendor shall submit for review any technical documentation specific to the system. This may include any system architecture schematics. All documentation that includes proprietary information or trade secrets must be so identified on its cover.

(c) At least thirty (30) days before the test, each data processing department that has developed a unique assessment or tax

and billing system shall submit for review all technical documentation. All documents that include proprietary information or trade secrets must be so identified on its cover.

(d) The department or its designee shall observe the demonstration and document the tests and scenarios accomplished by the system. The department shall notify the vendor or data processing department of the results within thirty (30) days of the submission date, including the specific tests and scenarios achieved by the system and those that were not. The vendor or data processing department may do the following:

- (1) Make the required correction or corrections.
- (2) Schedule an additional testing date.
- (3) Again perform system and integration demonstrations following the schedule in subsections (a) through (c).

(e) The department or its designee shall record the results from testing under subsection (d) and publish them for vendor and county access. Published results shall include the following:

- (1) Vendors involved in demonstration.
- (2) Packages and package version used in demonstration.
- (3) Reports successfully generated by the system or systems.
- (4) Reports unsuccessfully generated by the system or systems.
- (5) Scenarios successfully demonstrated by the system or systems.
- (6) Scenarios unsuccessfully demonstrated by the system or systems.

(Department of Local Government Finance; 50 IAC 23-18-3)

50 IAC 23-18-4 Initial property tax management system certification

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. (a) Property tax management systems subject to certification under section 1 of this rule that utilize software that has been software certified by the department and have demonstrated successful integration with other software as necessary must initially be certified under this section. A county shall submit its proposed property tax management system to the department. The department or its designee shall consider the proposed system and confirm that all requirements and scenarios tested under section 3 of this rule are accomplished by the proposed system using the recorded and published results prescribed under section 3(e) of this rule.

(b) If the department or its designee finds that a county's proposed system meets all requirements and accomplished all scenarios tested under section 3 of this rule, the department will declare the property tax management system certified for the county in which it is to be implemented. *(Department of Local Government Finance; 50 IAC 23-18-4)*

50 IAC 23-18-5 Initial local certification of county installation

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 5. (a) Property tax management system subject to certification under section 1 of this rule must be certified under this section. A county shall engage an independent, private, or public entity approved by the department to test and validate that the installed property tax management system complies with the standards and requirements of this article.

(b) Once the independent entity finds that the installed property tax management system meets the standards and requirements of this article, the county shall notify the department in writing that the installed system remains in compliance. The department shall then declare the computer system as locally certified for the county where it was independently tested.

(Department of Local Government Finance; 50 IAC 23-18-5)

50 IAC 23-18-6 Changes in certified systems; recertification

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-4-4; IC 6-1.1-31.5

Sec 6. (a) If initial certification of a property tax management system is within twenty-four (24) months before the start of a general reassessment as defined in IC 6-1.1-4-4, recertification of that system is not required.

(b) Property tax management systems not subject to subsection (a) that have been initially certified must be recertified within the twenty-four (24) month period before the start of each general reassessment as defined in IC 6-1.1-4-4. If any major change is made to a certified system at any other time, the system shall be considered a new system subject to the same certification requirements of sections 2, 4, and 5 of this rule. As used in this section, "major change" has the meaning set forth in 50 IAC 23-17-1.

(c) Property tax management system installations not subject to subsection (a) that have been initially certified must be locally recertified within the twenty-four (24) month period before the start of each general reassessment as defined in IC 6-1.1-4-4.

(d) If any other change is made to a certified system, the vendor must submit revised copies of documentation and other materials to the following:

- (1) The escrow agent.
- (2) The department.

(e) The department shall determine in writing whether a specific change constitutes a major change. *(Department of Local Government Finance; 50 IAC 23-18-6)*

50 IAC 23-18-7 Penalty for noncompliance

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 7. The department may elect not to certify the budget order for a county that fails to comply with this rule. *(Department of Local Government Finance; 50 IAC 23-18-7)*

Rule 19. Contract Provisions

50 IAC 23-19-1 Vendors

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 1. (a) This section applies to all vendors.

(b) A contract between a vendor and a county must include the following provisions:

- (1) An agreement to submit disputes regarding the standards required under this article to the designated authority for resolution as provided under this article.
- (2) An agreement that all disputes not covered under subdivision (1) shall be resolved under the laws of Indiana.
- (3) A guarantee or warranty by the vendor that the product covered by the contract meets the provisions of this article, and an agreement that any subsequently discovered failure to meet the provisions of this article will be corrected at the vendor's expense.
- (4) An agreement that all of the contract provisions shall be binding on all parties to the contract and their successors or assigns.
- (5) An agreement that the vendor will make any product or service change that may be required as a consequence of a change in any law, rule, or state board policy statement relating to the computer system, provided the vendor is compensated equitably, based on common industry rates, as are reasonably agreed to by the parties.

(c) The county must consider including in the contract between the vendor and the county a requirement that the vendor provide surety and performance bonds in amounts determined sufficient by the county. *(Department of Local Government Finance; 50 IAC 23-19-1)*

50 IAC 23-19-2 Assessment software and tax and billing software vendors

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 2. (a) This section applies to all assessment software vendors and all tax and billing software vendors.

(b) A contract between an assessment software vendor and a county or a tax and billing software vendor and a county must include the following provisions:

- (1) An agreement that the vendor will provide a software maintenance agreement that meets the standards prescribed in this article.
- (2) An agreement that the vendor will provide assistance to the county as may be required to modify the property tax management system to comply with changes in state law, department rules, department policy statements, or this article within the time period prescribed by the law, rule, or department.
- (3) Should for any reason a county change the assessment or tax and billing software or any other part of the computer system at:
 - (A) the end of a contractual period;
 - (B) contract termination;
 - (C) decertification; or
 - (D) failure of recertification;

the vendor of the software shall in no way impede or delay the smooth, orderly, and timely transfer of the county's data from the current database to a new database.

- (4) An agreement that the vendor will reimburse the county for all costs incurred as a result of the vendor's failure to continue to support the assessment software or tax and billing software during the life of the maintenance agreement.
- (5) An agreement that the contract and the escrow agreement both provide for the vendor's documentation and source code to be released by the escrow agent to the county when the department, an arbitrator, or a court rules that the vendor:
 - (A) has ceased to provide continued support; and
 - (B) is incapable of resuming support.
- (6) An agreement that, unless the total system installation is:
 - (A) confirmed by an independent entity; and
 - (B) locally certified by the department;

the contract is void.

- (7) An agreement that, unless the property tax management system is recertified and the total system installation is:
 - (A) confirmed by an independent entity; and
 - (B) locally recertified by the department;

the contract is void.

- (8) An agreement that the contract is void if the property tax management system certification is:
 - (A) denied;
 - (B) decertified; or
 - (C) revoked.
- (9) An agreement that the contract is void if the local certification of the county installation is:
 - (A) denied;
 - (B) decertified; or
 - (C) revoked.

(Department of Local Government Finance; 50 IAC 23-19-2)

50 IAC 23-19-3 System maintenance

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 3. Assessment software and tax and billing software vendors must offer a maintenance contract for ongoing maintenance services of the property tax management system that include the following:

- (1) Telephone support.
- (2) Problem diagnostic support from vendor personnel, by any necessary combination of remote and on-site services.
- (3) System modification initiated by the vendor.
- (4) Services to correct defects in software that are provided at vendor's expense.

All other support shall be provided on terms included in the maintenance contract or other contract between the vendor and the county. No vendor may require a county to accept vendor initiated changes unless those changes are included in the cost of a maintenance contract. *(Department of Local Government Finance; 50 IAC 23-19-3)*

50 IAC 23-19-4 Disputes

Authority: IC 6-1.1-31-1; IC 6-1.1-31.5-3.5

Affected: IC 6-1.1-31.5

Sec. 4. (a) This section applies to all vendors. Disputes between vendors and counties concerning whether the assessment software or tax and billing software meets the standards established in this article shall be resolved by the department in accordance with this section. Disputes concerning other contractual matters shall be resolved through arbitration. Nothing in this article shall be construed as limiting the rights of disputing parties to pursue action in the courts of the state after the procedures of this article have been exhausted.

(b) A party to a dispute shall file with the department a written petition for conflict resolution. This petition shall include the following:

(1) A statement that the petitioner is a party to a contract with a vendor for assessment software or tax and billing software subject to the provisions of this article.

(2) The identity of the vendor and the:

(A) property tax management system;

(B) assessment software; or

(C) tax and billing software;

about which the complaint is filed.

(3) An allegation that the:

(A) property tax management system;

(B) assessment software; or

(C) tax and billing software;

fails to meet requirements of this article, stating specifically the ways in which the system is alleged to violate specified provisions.

(4) Written proof that a copy of the petition has been delivered to the vendor whose system or software is the subject of the dispute.

(c) Within fifteen (15) days of receipt of a copy of the petition, the opposing party must file with the department a response to each item specified in the complaint.

(d) On the earlier of:

(1) receipt of a response; or

(2) fifteen (15) days following the filing of the petition;

the department shall initiate an investigation into the complaint. This investigation may be conducted by the department, its staff, or a designated agent. The person conducting the investigation shall prepare findings of fact and submit those to the department.

(e) The parties shall make the following available to the investigation:

(1) Their personnel.

(2) User documentation.

(3) Technical documentation.

(4) Any other materials or information sources required by the department or its agent.

(f) On receipt of findings of fact, the department shall review the petition and hold a hearing on the petition. All parties to the complaint shall be entitled representation at the hearing. The department may, in its discretion:

(1) find for the vendor or petitioner; or

(2) continue the investigation.

(g) If the department finds that the software or system fails to meet the requirements of this article, it may do the following:

(1) Decertify the software or system, or both, and forbid any of the following:

(A) New contracts.

(B) Contract renewals.

(C) Contract extensions.

(2) Impose specific conditions on continued certification of the computer system.

(3) Require specific changes and new certification tests.

(Department of Local Government Finance; 50 IAC 23-19-4)

SECTION 2. 50 IAC 12 IS REPEALED.

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on February 23, 2006 at 10:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Rooms 4 and 5, Indianapolis, Indiana the Department of Local Government Finance will hold a public hearing on LSA Document #05-143, a proposed rule repealing 50 IAC 12 and adding 50 IAC 23, to establish a uniform and common property tax management system among all counties. The Department will accept written comments on this proposed rule until March 15, 2006. Written comments should be addressed to Michael Dart, General Counsel, Department of Local Government Finance, Indiana Government Center-North, 100 North Senate Avenue, Room 1058(B), Indianapolis, Indiana 46204.

This proposed rule does not impose any requirement or costs on a regulated entity not expressly required by state or federal law.

Copies of these rules are now on file at the Indiana Government Center-North, 100 North Senate Avenue, Room 1058(B) and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Michael Dart
General Counsel
Department of Local Government Finance